



# Taco Bell

45590 North Gratiot Avenue, Macomb, MI 48042



*Representative Photo*

## OFFERING MEMORANDUM

**Exclusive Net-Lease Offering**

Marcus & Millichap



# Table of Contents

## Financial Overview

- Investment Highlights & Lease Summary
- Disposition Range
- Investment Summary & Rent Schedule
- Concept Overview

## Location Overview

- Location Highlights
- Surrounding Aerial Map
- Location Overview

## Demographics

- Population
- Income
- Employment



45590 North Gratiot Ave, Macomb, MI 48042

**PRICE: \$2,011,667 | 6.00% CAP | RENT: \$120,700****PROPERTY DESCRIPTION**

Property	Taco Bell
Property Address	45590 North Gratiot Avenue
City, State, ZIP	Macomb, MI 48042
Building Size (SF)	2,357
Lot Size (Acres)	+/- 1.48
Type of Ownership	Fee Simple
Year Built	1990

**THE OFFERING**

Purchase Price	\$2,011,667
CAP Rate	6.00%
Net Operating Income (NOI)	\$120,700

**LEASE SUMMARY**

Property Type	Net-Leased Quick Service Restaurant
Tenant / Guarantor	Sundance, Inc. (173 Units)
Lease Term	15 Years
Lease Expiration	December 9, 2028
Lease Term Remaining	10.2 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	See Rent Schedule

\*Pricing is based off December 2019 rent increase. Seller will credit Buyer the difference in rent between the closing date & rent increase date.

**INVESTMENT HIGHLIGHTS**

- Tenant Displaying Long Term Commitment to the Site | Tenant Recently Exercised Two, Five-Year Options & Committed to a Substantial +/- \$500,000 Remodel Before December 2020
- Long-Term Triple Net (NNN) Lease with Zero Landlord Responsibilities
- Attractive Rental Increases | Rent is Scheduled to Increase by Roughly 3% in December 2019
- Lease Guaranteed by an Experienced Franchisee Operator | Sundance Inc. Operates Over 170 Locations Throughout 6 States
- Strong Brand Recognition | Taco Bell Serves More Than 42 Million Customers Each Week Through Nearly 6,500 Locations Across the Nation



## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Taco Bell located at 45590 North Gratiot Avenue. The property sits on approximately 1.48 acres of land and is comprised of roughly 2,357 square feet of building space.

This Taco Bell is subject to a triple net "NNN" lease with no landlord responsibilities. The tenant recently exercised two, five-year options bringing the lease expiration date to December 9, 2028. The lease calls for attractive rental increases with a roughly 3% increase in December 2019. There is one, twelve-year tenant renewal option in addition to the 10 years of base lease term remaining. The tenant has also committed to a +/- \$500,000 remodel of the property before December 2020.

The lease is guaranteed by Sundance Inc., one of the largest franchisees in the YUM! Brands family, with 173 stores located throughout Iowa, Illinois, Indiana, Michigan, Ohio, and Wisconsin.

## ABOUT THE BRAND: YUM! Brands

Yum! Brands, Inc. based in Louisville, Kentucky, has over 45,000 restaurants in more than 140 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. The company's restaurant brands – KFC, Pizza Hut and Taco Bell are the global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over seven new restaurants per day on average, making it a leader in global retail development.



## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent
Current Rent - 12/9/2019	\$117,116	\$9,760
12/10/2019 - 12/9/2020	\$120,700	\$10,058
12/10/2020 - 12/9/2021	\$120,700	\$10,058
12/10/2021 - 12/9/2022	\$124,284	\$10,357
12/10/2022 - 12/9/2023	\$124,284	\$10,357
12/10/2023 - 12/9/2024	\$124,284	\$10,357
12/10/2024 - 12/9/2025	\$124,284	\$10,357
12/10/2025 - 12/9/2026	\$124,284	\$10,357
12/10/2026 - 12/9/2027	\$131,880	\$10,990
12/10/2027 - 12/9/2028	\$131,880	\$10,990
Option Period		
12/10/2028 - 12/9/2029	\$137,208	\$11,434
12/10/2029 - 12/9/2030	\$137,208	\$11,434
12/10/2030 - 12/9/2031	\$137,208	\$11,434
12/10/2031 - 12/9/2032	\$145,606	\$12,134
12/10/2032 - 12/9/2033	\$145,606	\$12,134
12/10/2033 - 12/9/2034	\$145,606	\$12,134
12/10/2034 - 12/9/2035	\$154,518	\$12,877
12/10/2035 - 12/9/2036	\$154,518	\$12,877
12/10/2036 - 12/9/2037	\$154,518	\$12,877
12/10/2037 - 12/9/2038	\$163,976	\$13,665
12/10/2038 - 12/9/2039	\$163,976	\$13,665
12/10/2039 - 12/9/2040	\$163,976	\$13,665
<b>CAP Rate</b>	<b>6.00%</b>	
<b>Purchase Price</b>	<b>\$2,011,667</b>	





## Concept Overview: Taco Bell

### General Information

Address	Irvine, CA
Website	<a href="https://www.tacobell.com/">https://www.tacobell.com/</a>
Concentration	All 50 States – 27 Countries

### About Taco Bell

Taco Bell Corp., a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is the nation's leading Mexican-inspired quick service restaurant brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos and burritos, among other craveable choices, and is the first QSR restaurant to offer American Vegetarian Association (AVA)-certified menu items. Taco Bell and its more than 350 franchise organizations proudly serve over 42 million customers each week through nearly 6,500 restaurants across the nation, as well as through its mobile, desktop and delivery ordering services.

Taco Bell's mobile app which, has been downloaded over 4.9 Million times, makes it easy to place a custom order and pay before the customer arrives. Some locations are also testing touchscreen-ordering kiosks. Taco Bell plans to have 8,000 restaurants in the US by the year 2023. Overseas, Taco Bell has over 400 restaurants excluding the Yum! China Division, with plans to add 2,000 more restaurants internationally within the next decade.

In 2017, Taco Bell's same-store sales increased 4% which was better than the overall quick-service sector. Taco Bell typically scores well in consumer surveys on its ability to innovate and give customers value.

Yum! Brands, Inc., based in Louisville, Kentucky, has over 45,000 restaurants in more than 135 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2017, Yum! Brands was named to the Dow Jones Sustainability North America Index and ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine.



### About Sundance Inc.

Sundance Inc. is one of the largest franchisees in the YUM! Brands family, with 173 stores located throughout Iowa, Illinois, Indiana, Michigan, Ohio, and Wisconsin. Their primary brand is Taco Bell, but they also operate stores that offer KFC, Pizza Hut, and A&W quality food products. Sundance Inc. generates more than \$230 million in annual revenue throughout their stores.



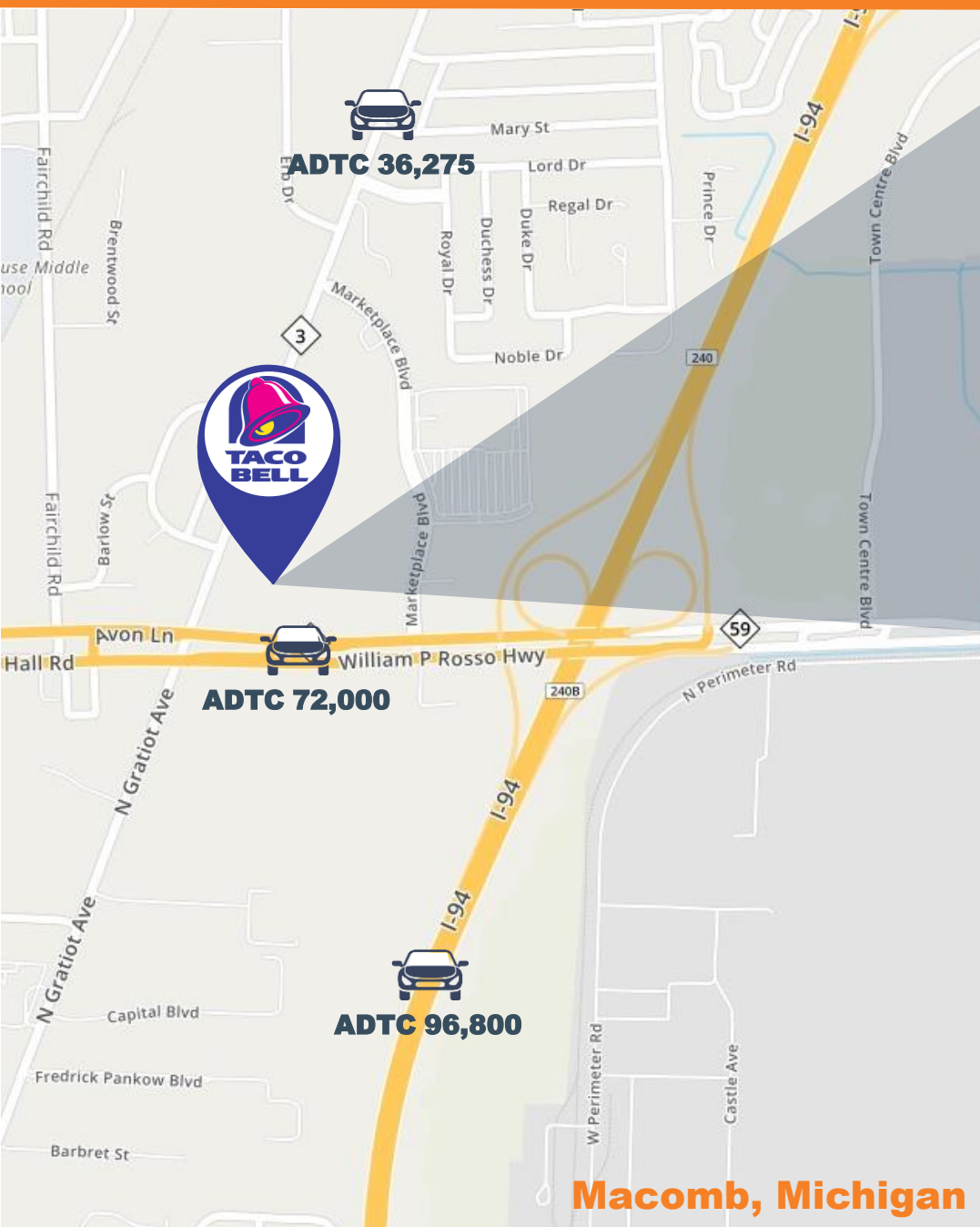
## LOCATION HIGHLIGHTS

- Strong Location Fundamentals | Major Tenants in Surrounding Area Include Walmart, Menards, Dollar Tree, Burger King, Starbucks, McDonald's, KFC,
- Conveniently Located in Close Proximity to Interstate 94 & William P Ross Hwy | Nearly 170,000 VPD
- Located Less Than Two Miles North of Michigan's Air National Guard | Over 4,500 Active Service Members
- Henry Ford Macomb Hospital | 361-Bed Inpatient Service Center | Recognized Among Top 50 Hospitals
- Affluent Suburban Community | Average Household Income of \$78,000 in a 5-Mile Radius

## MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Plumbrook Family Medicine	2,000
24/7 Bail Bonds	1,300
Henry Ford Macomb Hospitals	993
Walmart	669
Meijer Inc	654
St Joseph Mercy East	600
Saab	500
Mount Clemens Rgnal Med Ctr Inc	411
County of Macomb	406
Macomb County Jail	400
McDonalds	385
Tower Automotive	351

\* # of Employees based on 5 mile radius

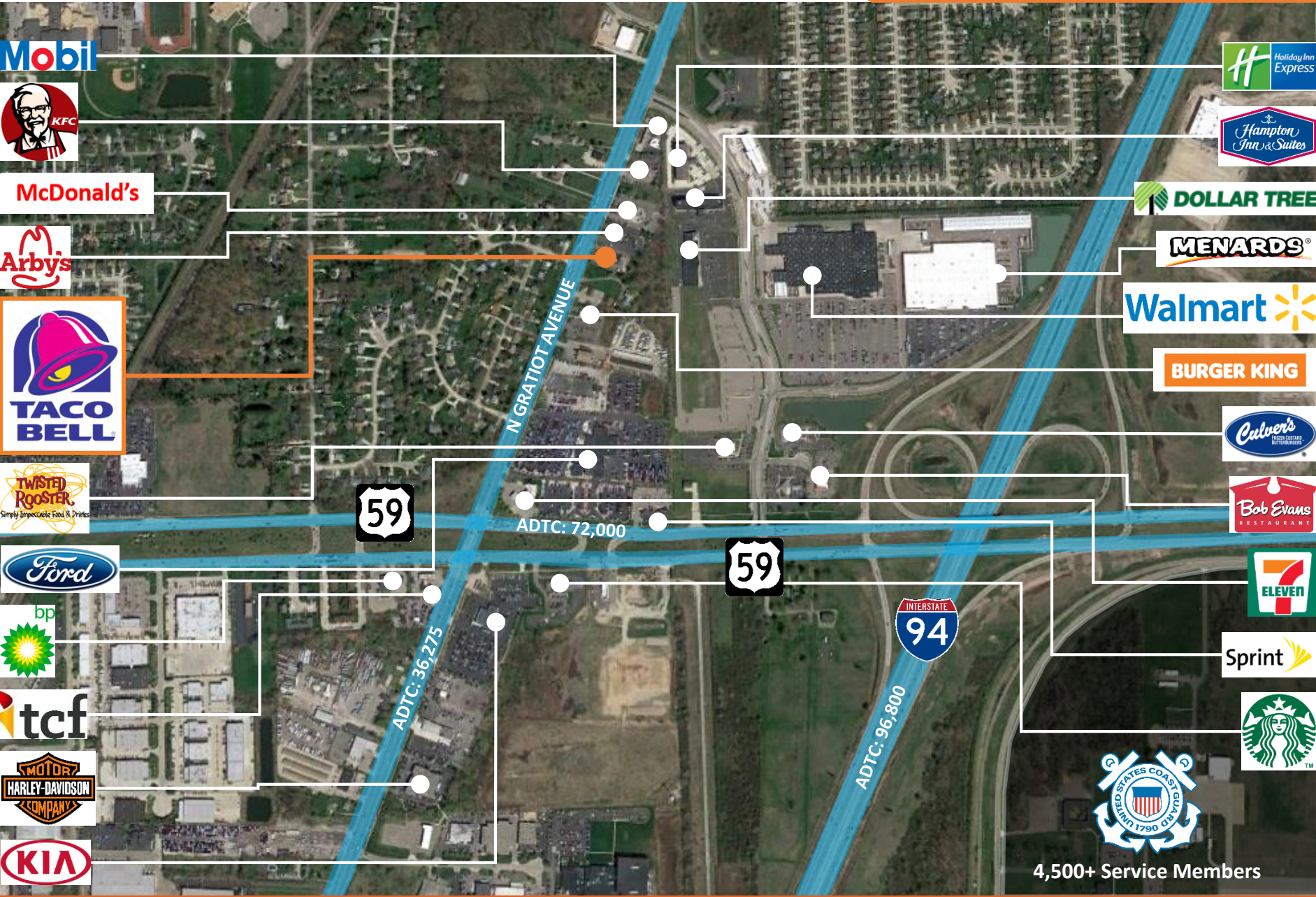


**Macomb, Michigan**



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. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2017 Marcus & Millichap





4,500+ Service Members

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. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2017 Marcus & Millichap

This Taco Bell is located at 45590 North Gratiot Avenue in Macomb, Michigan. Macomb is a general law township and northern suburb of Detroit located in Macomb County, in the Metropolitan Detroit region.

### Surrounding Retail and Points of Interest

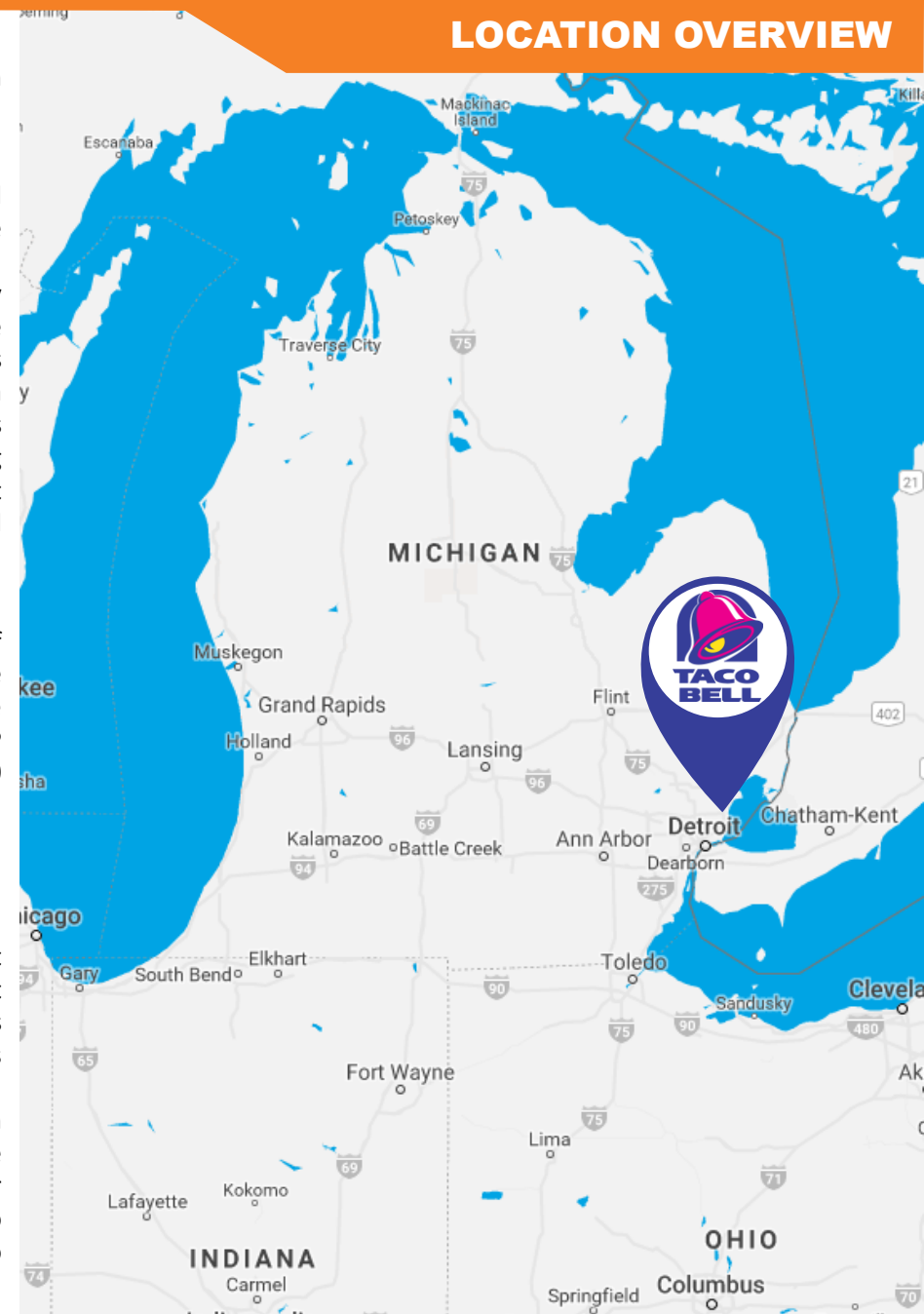
This property is strategically located within a dense retail, residential and transportation corridor. Major national tenants in the surrounding area include Walmart, Menards, Dollar Tree, Burger King, Starbucks, McDonald's, KFC, numerous other quick service restaurants as well as multiple hospitality accommodations. Within direct proximity of the subject investment property is the Hampton Inn & Suites and the Holiday Inn Express. The U.S. Air National Guard is less than two miles south of the subject property and serves as the air force militia of the State of Michigan – an element of the Michigan National Guard. Michigan's Air National Guard has over 4,500 service members and contributes an astounding \$850 million dollars to the state. Henry Ford Macomb Hospital, a 361-bed inpatient service center, is less than four miles west of the subject property and is recognized among the Top 50 programs in the country.

### Traffic Counts and Demographics

There are approximately 52,300 individuals residing within a three-mile radius of the property and more than 163,600 individuals within a five-mile radius. The subject property is located on North Gratiot Avenue, which experiences an average daily traffic count of 36,275 vehicles. North Gratiot Avenue intersects William P Rosso Highway and runs parallel to Interstate 94, which bring nearly 170,000 additional vehicles per day to the area.

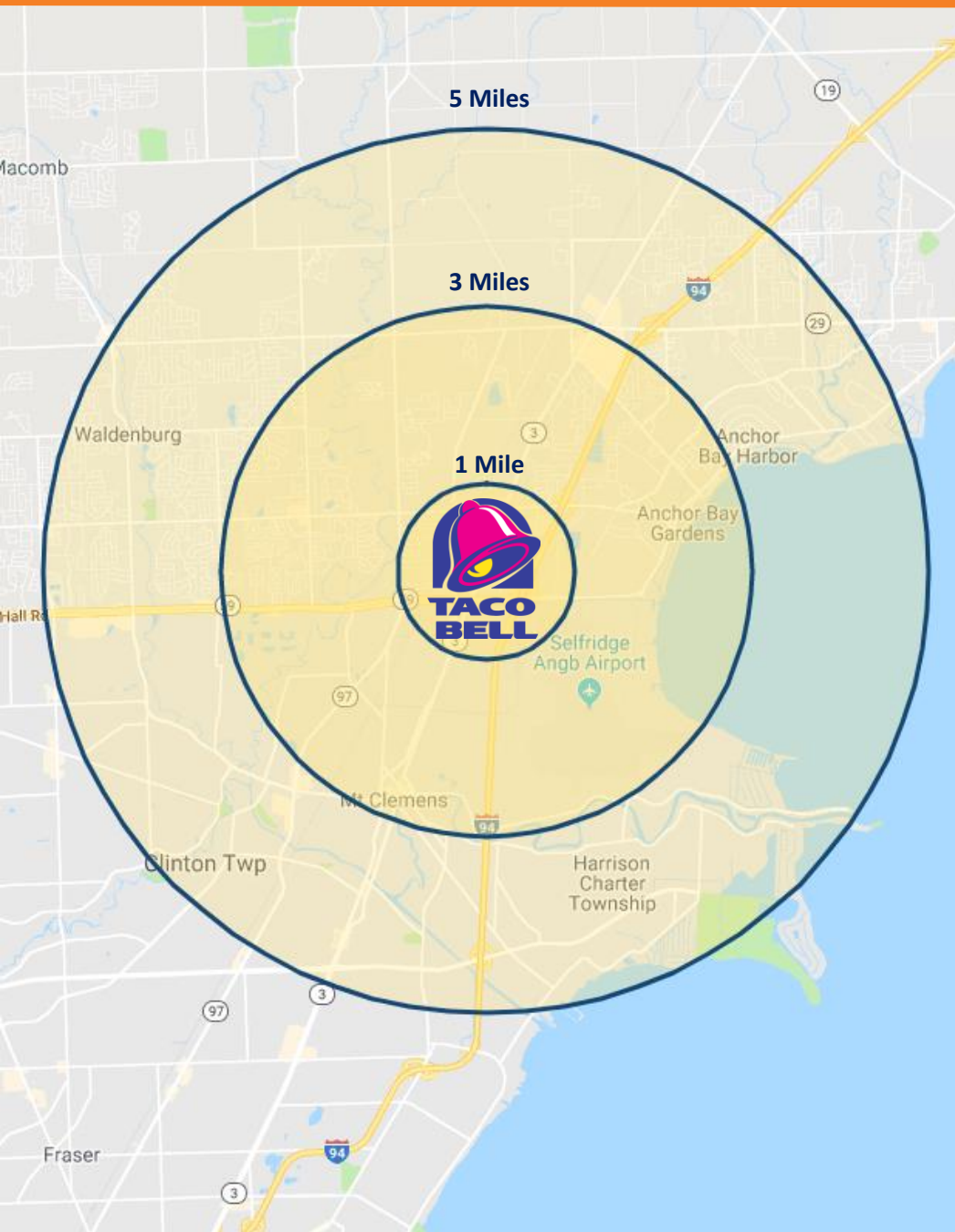
### Macomb, Michigan

Macomb is located less than 30 miles north of Downtown Detroit, Michigan. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after Chicago. Detroit is a major port on the Detroit River, one of the four major straits that connect the Great Lakes system to the Saint Lawrence Seaway. The Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the third-largest economic region in the Midwest, behind Chicago and Minneapolis, and the 14th-largest in the United States. Detroit and its neighboring Canadian city Windsor are connected through a tunnel and the Ambassador Bridge, the busiest international crossing in North America. Detroit is best known as the center of the American automobile industry, and the "Big Three" auto manufacturers General Motors, Ford, and Chrysler are all headquartered in Metro Detroit.



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. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2017 Marcus & Millichap





## POPULATION

	3 Miles	5 Miles	10 Miles
2022 Projection	55,897	176,616	524,799
2017 Estimate	52,327	163,687	497,001
2010 Census	49,161	155,783	478,896
2000 Census	45,570	135,524	434,178

## INCOME

Average	\$69,767	\$78,669	\$76,680
Median	\$57,205	\$64,922	\$62,056
Per Capita	\$26,852	\$30,482	\$30,467

## HOUSEHOLDS

2022 Projection	21,168	68,012	208,569
2017 Estimate	19,827	63,087	196,626
2010 Census	18,666	60,099	189,628
2000 Census	17,360	52,473	170,010

## HOUSING

2017	\$169,850	\$181,291	\$167,325
------	-----------	-----------	-----------

## EMPLOYMENT

2017 Daytime Population	53,633	134,642	425,602
2017 Unemployment	6.43%	5.54%	5.70%
2017 Median Time Traveled	30	31	30

## RACE & ETHNICITY

White	75.41%	80.76%	83.36%
Native American	0.05%	0.05%	0.03%
African American	17.71%	13.03%	10.53%
Asian/Pacific Islander	2.34%	2.43%	2.80%



# confidentiality & disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may

be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or

asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

### **Steven Chaben**

Marcus & Millichap  
Two Towne Square, Suite 450  
Southfield, MI 48076  
Tel: (248) 415-2600  
Fax: (248) 415-2610  
License: 6502387903

**Marcus & Millichap**



Steven Chaben  
Marcus & Millichap  
Two Towne Square, Suite 450  
Southfield, MI 48076  
Tel: (248) 415-2600  
Fax: (248) 415-2610  
License: 6502387903

Marcus & Millichap



exclusively listed