



Zephyrhills, FL



OFFERING MEMORANDUM

7313 Gall Boulevard
Zephyrhills, Florida 33541

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Investment Highlights

PRICE: \$2,747,829 | CAP: 5.25% | RENT: \$144,261



About the Investment

- ✓ 14.25 Years Remaining on an Original 20-Year Triple-Net (NNN) Lease
- ✓ Attractive 1.75% Annual Rental Increases
- ✓ Two (2), Ten (10)-Year Tenant Renewal Options
- ✓ 25-Unit Franchisee Guarantee from BDE Florida, LLC
- ✓ Sales Well Above the National Taco Bell Systemwide Average

About the Location

- ✓ Major National Tenants in the Surrounding Area Include: Walmart, Lowe's, Publix, Save-a-Lot, TJ Maxx, Chase, Wells Fargo, SunTrust Bank, 7-Eleven, and Others
- ✓ Over 64,145 Individuals Within a Five-Mile Radius – Growth of 17.15% in the Last Five Years and Projected Growth of 11.69% Through 2023
- ✓ Strategically Located Directly on Gall Boulevard– Attractive Traffic Counts of 23,000 Vehicles Per Day
- ✓ Zephyrhills High School and Woodland Elementary School – In Close Proximity – Over 2,300 Students Enrolled

About the Tenant/Brand

- ✓ Globally Recognized Brand – Taco Bell Operates in 27 Countries and Territories Throughout the World
- ✓ 7% Worldwide System Sales Growth – 4% Same Store Sale Growth Across Taco Bell in 2017
- ✓ System Sales Exceeded \$10.1 Billion in Fiscal Year 2017
- ✓ Taco Bell Serves More Than 44 Million Customers Each Week Through Nearly 6,850 Locations Across the Nation



INVESTMENT SUMMARY



Marcus & Millichap is pleased to exclusively market for sale the subject single-tenant net-leased Taco Bell located at 7313 Gall Boulevard in Zephyrhills, Florida. The property made up of a 2,028 square foot building and is situated on approximately 0.79 acres of land.

This Taco Bell property has approximately 14.25 years remaining on an original 20-year triple-net (NNN) lease, which commenced on July 2nd, 2013. The current annual rent is \$144,261, as of the July 2019 rental increase, and is subject to 1.75% annual rental increases. The initial lease term expires on July 2nd, 2033, and is then subject to two, ten-year tenant renewal options.

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.





Financial Analysis

PRICE: \$2,747,829 | CAP: 5.25% | RENT: \$144,261



Property Description

Property	Taco Bell
Property Address	7313 Gall Boulevard
City, State, ZIP	Zephyrhills, Florida 33541
Year Built / Renovated	1992
Building Size	2,028 SF
Lot Size	+/- 0.79 Acres
Type of Ownership	Fee Simple

The Offering

Annual Rent	\$144,261
CAP Rate	5.25%
Purchase Price	\$2,747,829

Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (25 Units)
Ownership Type	Private
Original Lease Term	20.0 Years
Lease Commencement	July 2, 2013
Lease Expiration	July 2, 2033
Lease Term Remaining	14.25 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually
Options to Renew	Two (2), Ten (10)-Year Options

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$130,000	\$10,833	-
Year 2	\$132,275	\$11,023	1.75%
Year 3	\$134,590	\$11,216	1.75%
Year 4	\$136,945	\$11,412	1.75%
Year 5	\$139,342	\$11,612	1.75%
Year 6	\$141,780	\$11,815	1.75%
Year 7	\$144,261	\$12,022	1.75%
Year 8	\$146,786	\$12,232	1.75%
Year 9	\$149,355	\$12,446	1.75%
Year 10	\$151,968	\$12,664	1.75%
Year 11	\$154,628	\$12,886	1.75%
Year 12	\$157,334	\$13,111	1.75%
Year 13	\$160,087	\$13,341	1.75%
Year 14	\$162,889	\$13,574	1.75%
Year 15	\$165,739	\$13,812	1.75%
Year 16	\$168,640	\$14,053	1.75%
Year 17	\$171,591	\$14,299	1.75%
Year 18	\$174,594	\$14,549	1.75%
Year 19	\$177,649	\$14,804	1.75%
Year 20	\$180,758	\$15,063	1.75%



Tenant Overview

General Information

Address	Irvine, CA
Website	https://www.tacobell.com/
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.



BDE FLORIDA

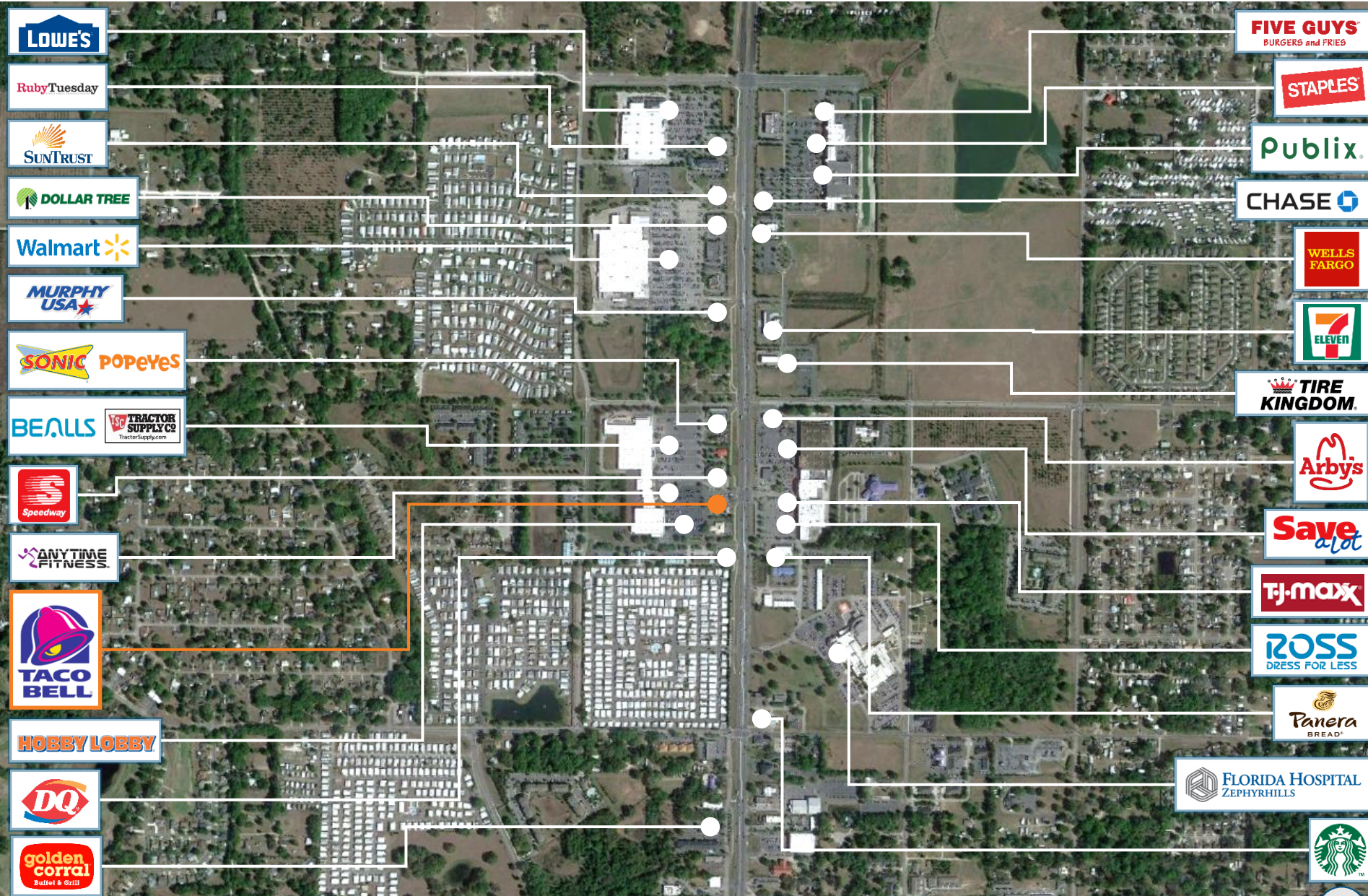
About BDE Florida, LLC

BDE Florida LLC is a franchisee of Taco Bell restaurants. The company operates exclusively in the state of Florida and is comprised of 25 Taco Bell locations. Three of the locations also operate as Pizza Hut restaurants, and two others operate as Long John Silver's restaurants.



Surrounding Area

7313 Gall Boulevard, Zephyrhills, Florida 33541





Location Overview

This Taco Bell property is located at 7313 Gall Boulevard in Zephyrhills, Florida. Zephyrhills is a city in Pasco County and is a suburb of the Tampa Bay Metropolitan Statistical Area. Zephyrhills is also known as the headquarters of the Zephyrhills bottled water company.

The subject property benefits from its strategic location in a dense commercial area. This corridor contains both local and national retailers including: Walmart, Lowe's, Hobby Lobby, TJ Maxx, Bealls, Save-a-Lot, Ross, Starbucks, Golden Corral, Dairy Queen, Anytime Fitness, Speedways, Tractor Supply Co, Sonic, Popeyes, Murphy USA, Dollar Tree, SunTrust Bank, Ruby Tuesday, Five Guys, Staples, Publix, Chase, Wells Fargo, 7-Eleven, Tire Kingdon, Arby's, and many more. AdventHealth Zephyrhills is a 139-bed hospital with patient revenues exceeding \$878 million a year. Additionally, the subject property is located approximately three miles from Zephyrhills Municipal Airport. Zephyrhills High School and Woodland Elementary School are located in close proximity and have a combined enrollment of 2,396 students.

There are approximately 38,402 individuals residing within a three-mile radius of the property and just over 64,145 individuals within a five-mile radius. Since 2010, the population has grown by 17.15% and is expected to grow an additional 11.69% through 2023. The subject property is located on Gall Boulevard which experiences an average daily traffic count of 23,000 vehicles.

Zephyrhills is located approximately 31 miles northeast of Tampa. Tampa is a city in and the county seat of Hillsborough County, Florida. Tampa's economy is founded on a diverse base that includes tourism, agriculture, construction, finance, health care, government, technology, and the port of Tampa. Tampa is the closest U.S. port to the Panama Canal. Some of the area's largest employers include: BayCare Health Systems, Publix Super Market, HCA West Florida, Verizon, and Walmart. The University of South Florida has the 11th highest enrollment in the United States with 48,793 students.





Property Photo





Property Photo



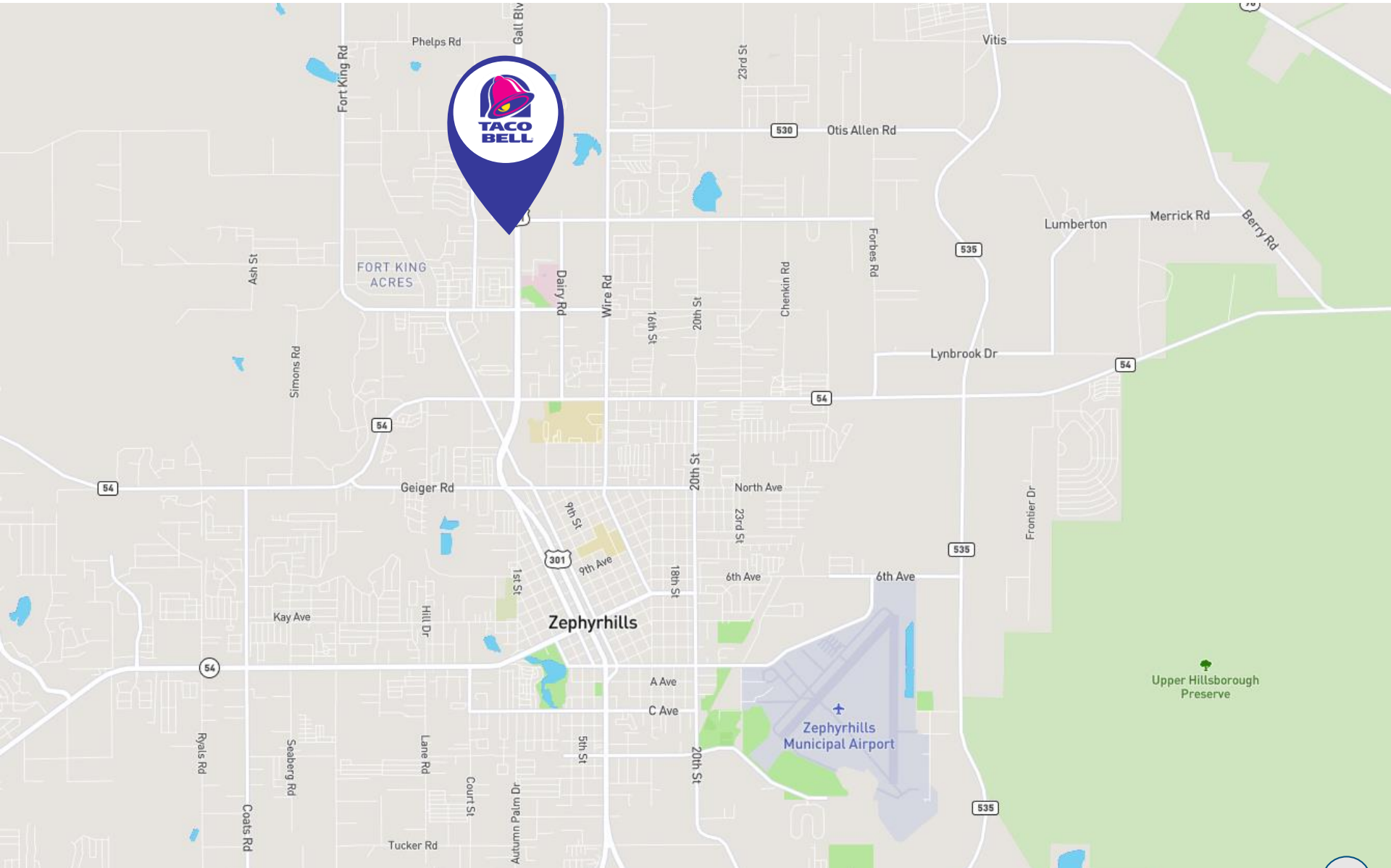


Surrounding Area Photos



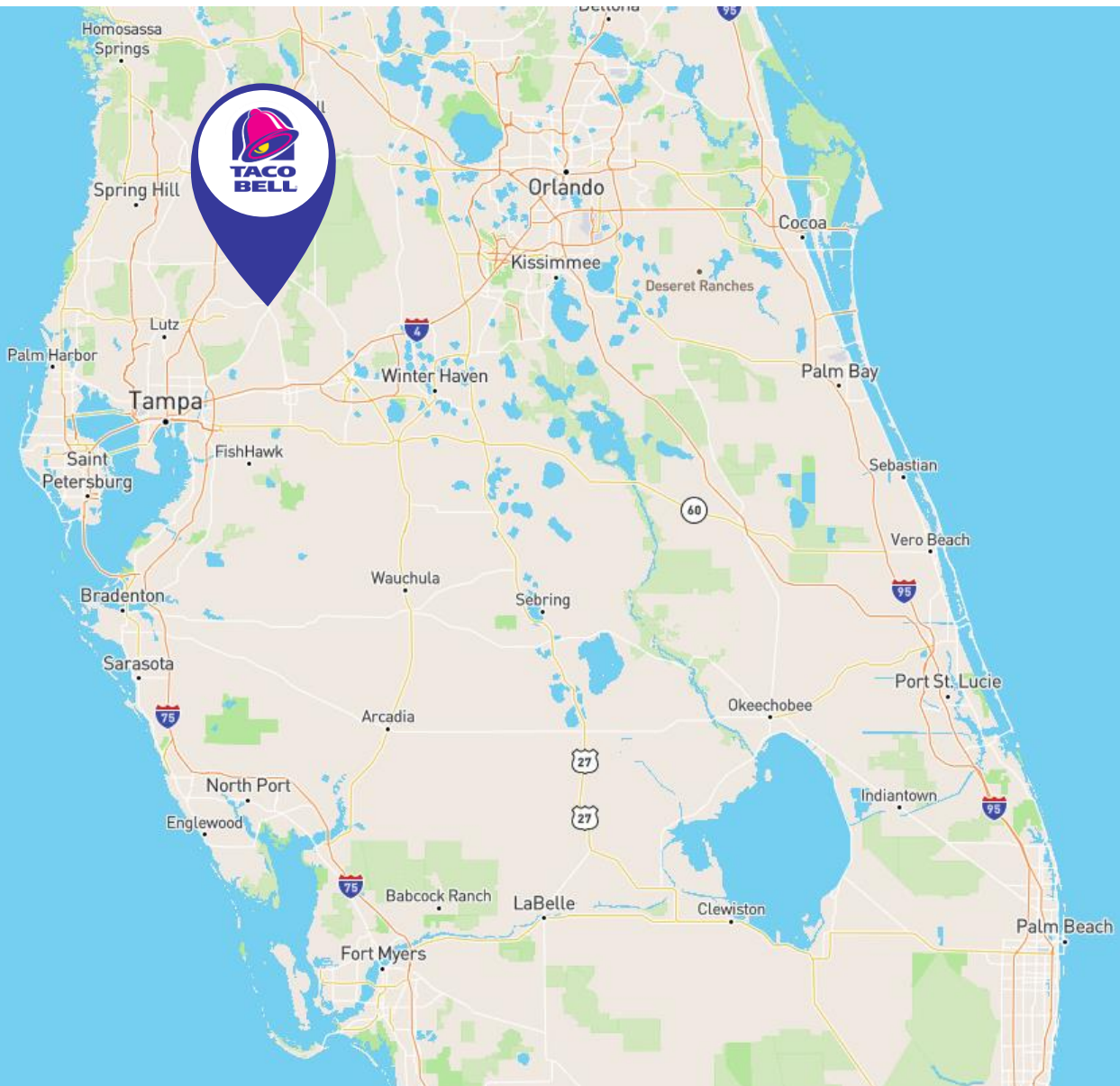


Local Map



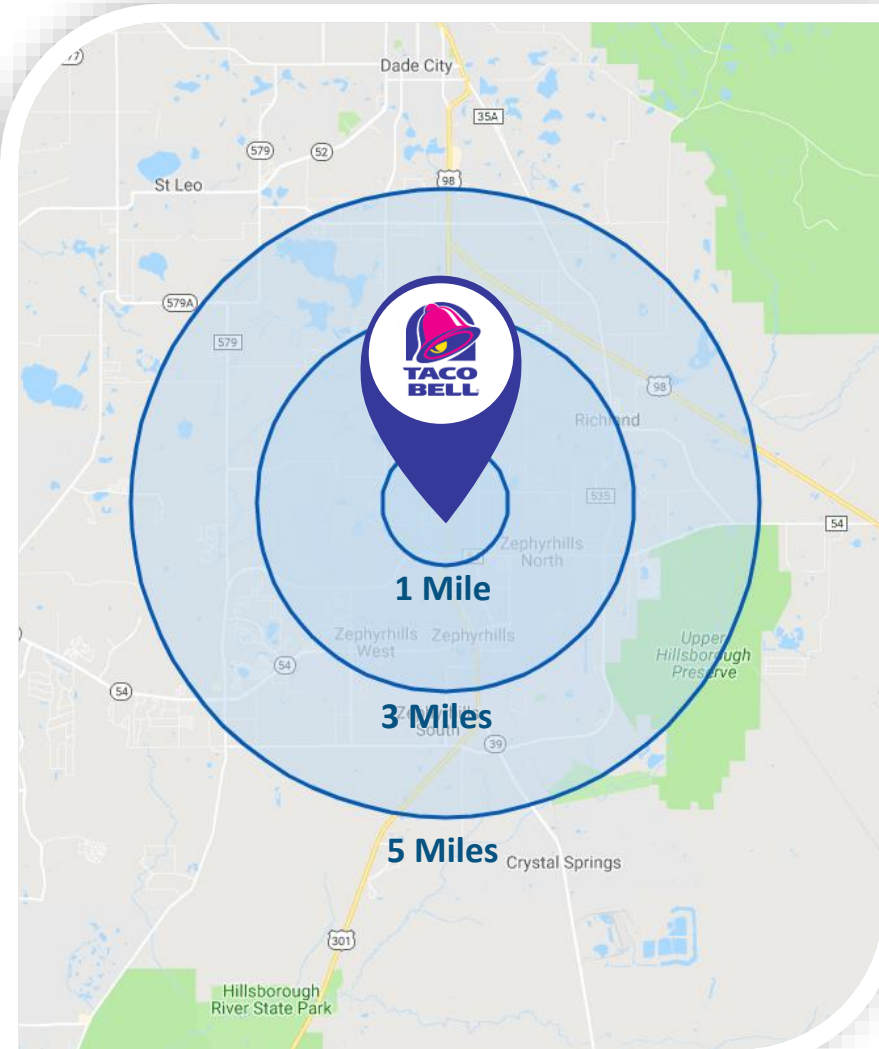


Regional Map





Demographics



Population:

	1 Mile	3 Miles	5 Miles
2023 Projection	7,907	42,892	71,602
2018 Estimate	7,083	38,402	64,145
2010 Census	6,068	32,780	55,015
Growth 2018-2023	11.63%	11.69%	11.63%
Growth 2010-2018	16.73%	17.15%	16.60%
2018 Population Hispanic Origin	496	3,618	6,277

2018 Population by Race:

White	6,573	35,519	58,559
Black	222	1,559	3,340
Am. Indian & Alaskan	22	134	253
Asian	128	539	900
Hawaiian & Pacific Island	1	15	30
Other	137	637	1,063

U.S. Armed Forces:

Households:

2023 Projection	3,694	19,390	32,010
2018 Estimate	3,316	17,392	28,742
2010 Census	2,866	14,896	24,814
Growth 2018 - 2023	11.40%	11.49%	11.37%
Growth 2010 - 2018	15.70%	16.76%	15.83%
Owner Occupied	2,638	13,680	23,540
Renter Occupied	678	3,713	5,202

2018 Avg Household Income

2018 Med Household Income

2018 Households by Household Inc:

<\$25,000	837	5,113	7,872
\$25,000 - \$50,000	1,156	5,760	9,559
\$50,000 - \$75,000	581	3,041	5,053
\$75,000 - \$100,000	403	1,440	2,674
\$100,000 - \$125,000	135	898	1,478
\$125,000 - \$150,000	23	245	720
\$150,000 - \$200,000	86	492	842
\$200,000+	96	402	544

1 Mile 3 Miles 5 Miles

\$56,541 **\$54,026** **\$55,261**
\$40,933 **\$39,107** **\$40,594**



Market Overview

TAMPA-ST. PETERSBURG OVERVIEW

Tampa Bay refers both to a larger metropolitan area and to the bay that extends inland from the Gulf of Mexico. The Tampa-St. Petersburg metro contains 2.9 million residents and spans four counties along the west coast of central Florida: Hillsborough, Pasco, Hernando and Pinellas. Tampa, the county seat of Hillsborough County, is the most populous city with more than 365,400 people and is situated northeast of the bay. St. Petersburg follows with nearly 255,000 residents and is located on the peninsula near the mouth of the bay. Robust job growth is attracting new people to the metro, many of whom are living in higher-density redevelopment projects near city cores.

METRO HIGHLIGHTS



FAVORABLE BUSINESS CLIMATE

A low cost of living and economic development bring a thriving business landscape to the Tampa Bay-St. Petersburg metro.



PORT ACTIVITY

One of the largest seaports in the Southeast, the Port of Tampa services passenger cruise ships and commercial freighters. The Port of St. Petersburg is also in the metro.



DIVERSE ECONOMY

High-tech industries as well as the tourism, military, finance and seaborne commerce segments drive the region's economy.





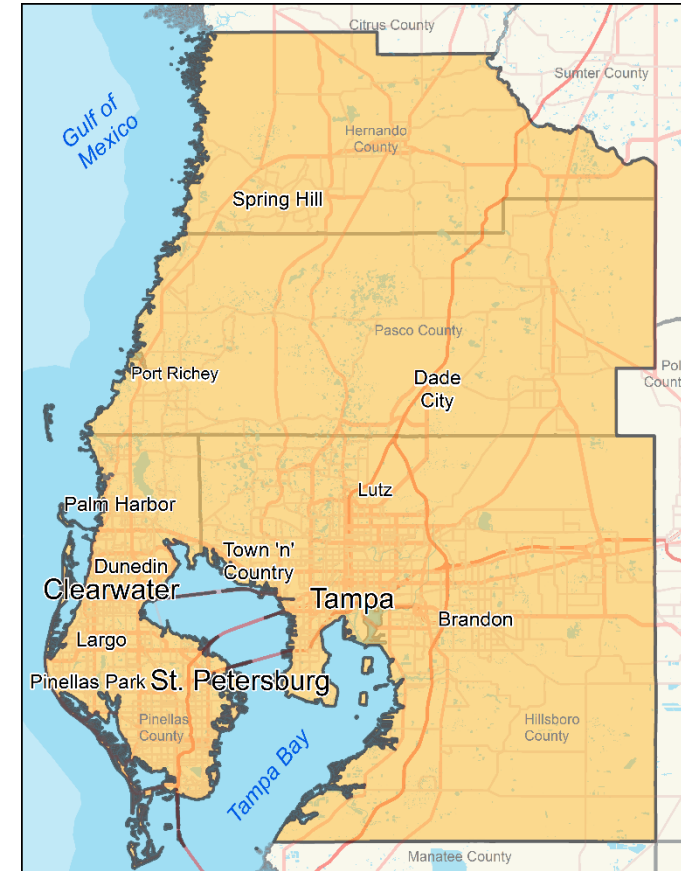
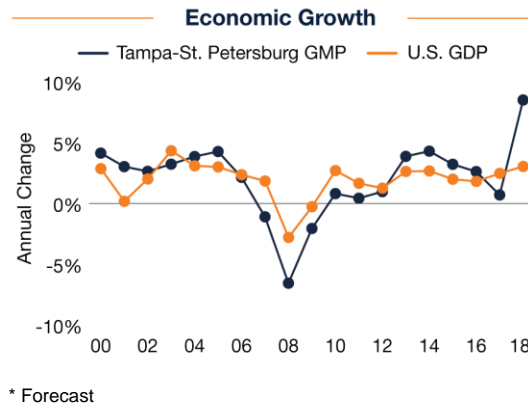
Market Overview

ECONOMY

- Local ports contribute to a major presence in the shipping, distribution and logistics industry. The CSX Intermodal facility in nearby Polk County provides quick access to markets throughout the nation.
- Bioscience and other high-tech industries are expanding. Local Fortune 500 companies include WellCare Health Plans, Tech Data and Jabil Circuit.
- Tourism also plays a significant role in the local economy. Visitors can go to Busch Gardens, the Dali Museum and the region's many beaches, among other sites.

MAJOR AREA EMPLOYERS

BayCare Health Care Systems
 Publix Supermarkets, Inc.
 HCA West Florida
 Walmart
 Verizon Communications, Inc.
 MacDill Air Force Base
 University of South Florida
 JPMorgan Chase
 Citibank
 TECO Energy Inc.



SHARE OF 2017 TOTAL EMPLOYMENT





Market Overview



DEMOGRAPHICS

- The local population will expand to approximately 3.2 million residents through 2022. During this time the number of households will increase to 1.3 million.
- Homeownership of nearly 65 percent is slightly above the national rate of 64 percent; the median home price, at \$226,300, is below the national median.
- More than 36 percent of residents hold bachelor's degrees, with 9 percent having also attained a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

The metro boasts a mild climate and a beautiful waterfront that attract many residents and visitors. It has professional football, hockey and baseball teams. The area has more than 200 golf courses and abundant water-related activities, with Tampa Bay and the Gulf Coast nearby. There are more than 11,000 acres of parkland and 100 trail acres within a 60-mile radius. Numerous state parks, historic sites, museums, theaters and retail centers also dot the landscape. The world-famous Busch Gardens theme park draws visitors. Educational advancement is available at numerous institutions of higher learning located in the Tampa Bay area. The University of South Florida, located in Tampa, is the third-largest university in the state.



SPORTS



EDUCATION



EckerdCollege
on FLORIDA'S GULF COAST

St. Petersburg College
SPC

THE UNIVERSITY
OF TAMPA

USF
UNIVERSITY OF
SOUTH FLORIDA



ARTS & ENTERTAINMENT

Busch
Gardens

MOSI

THE DALY MUSEUM

MFA
MUSEUM OF FINE ARTS
FLORIDA

Marcus & Millichap

exclusive net lease offering

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