

# TACO BELL SALE-LEASEBACK

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



1720 Tiny Town Road, Clarksville, TN 37042

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# Investment Highlights

PRICE: \$1,800,000 | CAP: 5.25% | RENT: \$94,500



## About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Sale-Leaseback
- ✓ Newly Developed Location | Expanding Retail Corridor
- ✓ Ten Percent (10%) Rental Increases Every Five Years Beginning Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 40 Years

## About the Location

- ✓ Dense Retail Corridor | McDonald's, Starbucks, Wendy's, Dunkin' Donuts, Walgreens, Zaxby's, Sonic, Anytime Fitness, Regal Cinemas, and Many More
- ✓ Less than 50 Miles from Nashville | Direct Access Via Interstate-24
- ✓ Strong Traffic Counts | Tiny Town Road Experiences ADTC of more than 26,000 Vehicles and Intersects with Interstate-24 Which Brings in An Additional 53,000 Vehicles to the Area Daily
- ✓ Compelling Location Fundamentals | Located About 40 Miles Outside of Nashville in An Affluent Suburb

## About the 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



Representative Photo



# Financial Analysis

PRICE: \$1,800,000 | CAP: 5.25% | RENT: \$94,500



## PROPERTY DESCRIPTION

|                         |                        |
|-------------------------|------------------------|
| Property                | Taco Bell              |
| Property Address        | 1720 Tiny Town Road    |
| City, State, ZIP        | Clarkesville, TN 37042 |
| Estimated Building Size | 2,100                  |
| Estimated Lot Size      | +/- 1.01 Acres         |
| Type of Ownership       | Fee Simple             |

## THE OFFERING

|                |             |
|----------------|-------------|
| Purchase Price | \$1,800,000 |
| CAP Rate       | 5.25%       |
| Annual Rent    | \$94,500    |

## LEASE SUMMARY

|                      |   |
|----------------------|---|
| Property Type        | Net Leased Quick Service Restaurant     |
| Tenant               | GFE IV, LLC (19-Unit Franchisee)        |
| Original Lease Term  | 20 Years                                |
| Lease Commencement   | Close of Escrow                         |
| Lease Expiration     | 20 Years From COE                       |
| Lease Term Remaining | 20 Years                                |
| Lease Type           | Absolute Triple-Net (NNN)               |
| Roof & Structure     | Tenant Responsible                      |
| Rental Increases     | 10% Every Five Years                    |
| Options to Renew     | Four (4) Periods of Five (5) Years Each |

## RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation |
|---------------|-------------|--------------|-----------------|
| Year 1        | \$94,500    | \$7,875      | -               |
| Year 2        | \$94,500    | \$7,875      | -               |
| Year 3        | \$94,500    | \$7,875      | -               |
| Year 4        | \$94,500    | \$7,875      | -               |
| Year 5        | \$94,500    | \$7,875      | -               |
| Year 6        | \$103,950   | \$8,663      | 10%             |
| Year 7        | \$103,950   | \$8,663      | -               |
| Year 8        | \$103,950   | \$8,663      | -               |
| Year 9        | \$103,950   | \$8,663      | -               |
| Year 10       | \$103,950   | \$8,663      | -               |
| Year 11       | \$114,345   | \$9,529      | 10%             |
| Year 12       | \$114,345   | \$9,529      | -               |
| Year 13       | \$114,345   | \$9,529      | -               |
| Year 14       | \$114,345   | \$9,529      | -               |
| Year 15       | \$114,345   | \$9,529      | -               |
| Year 16       | \$125,780   | \$10,482     | 10%             |
| Year 17       | \$125,780   | \$10,482     | -               |
| Year 18       | \$125,780   | \$10,482     | -               |
| Year 19       | \$125,780   | \$10,482     | -               |
| Year 20       | \$125,780   | \$10,482     | -               |

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Taco Bell located at 1720 Tiny Town Road in Clarkesville, TN. The site consists of roughly 2,100 rentable square feet of building space that sits on a 1.01-acre parcel of land. The Taco Bell will be subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$94,500 and is scheduled to increase by ten percent (10%) every five years beginning in year six (6) and continuing throughout each of the four (4), five (5)-year tenant renewal options.



# Concept Overview



## 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.

## General Information

|               |   |
|---------------|---|
| Website       | <a href="https://www.tacobell.com">https://www.tacobell.com</a> |
| Concentration | All 50 States – 27 Countries                                    |





# Surrounding Area

Property Address: 1720 Tiny Town Road, Clarksville, TN 37042



Logos shown on the map include:

- Pizza Hut
- FORTEA
- FOX BROS BAR-B-Q
- USATA'S COFFEE & TEA
- DUNKIN' DONUTS
- Sprint
- SUBWAY
- Walgreens
- Starbucks
- BURGER KING
- McDonald's
- Shell
- SONIC
- INTERSTATE 24
- TINY TOWN ROAD
- Bojangles
- AutoZone
- American CAR WASH
- Wendy's
- SMOKIN' CHIKIN
- ANYTIME FITNESS
- at&t
- Legends Bank
- REGAL
- COLD STONE
- TACO BELL
- EXXON
- ZAXBY'S
- DOLLAR GENERAL
- Dominos



# Location Overview

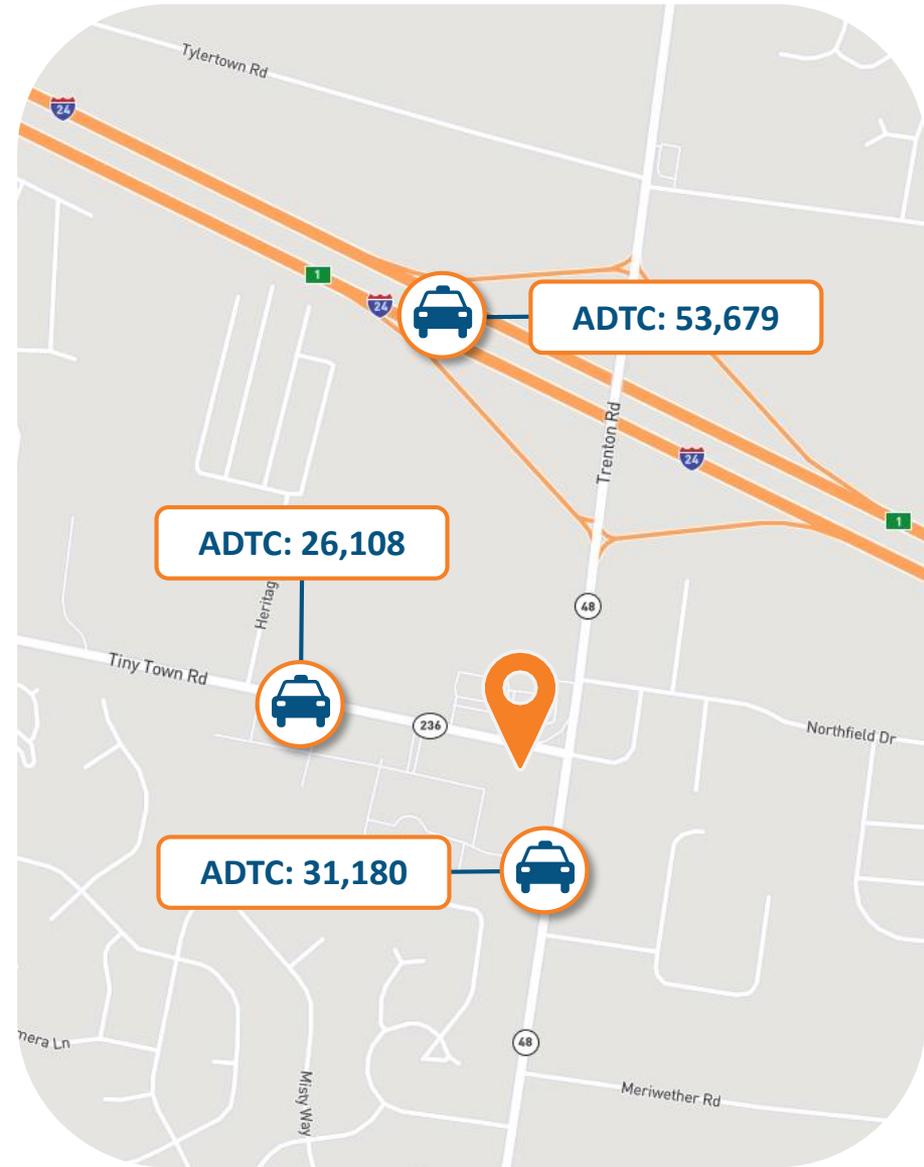
Property Address: 1720 Tiny Town Road, Clarksville, TN 37042



The subject Taco Bell property is well situated at the intersection of Tiny Town Road and Trenton Road in Clarksville, Tennessee. In addition to being located on one of the major thoroughfares in Clarksville, the site benefits from direct access to Interstate-24 via Trenton Road. Interstate-24 experiences average daily traffic counts of more than 53,000 vehicles, while Trenton Road and Tiny Town Road experience average daily traffic counts of 31,000 and 26,000 vehicles respectively. Clarksville is the county seat of Montgomery County and is the fifth-largest city in the state of Tennessee, while also being located less than 50 miles Northeast of Tennessee's most populous city, Nashville.

This Taco Bell is strategically positioned in a dense retail corridor with ease of access from both Tiny Town Road and Trenton Road. In addition to the Taco Bell, there have been various build-to-suit developments completed in the last 24 months. Tenants for those developments include McDonald's, Starbucks, Burger King, Dunkin' Donuts, and Bojangles among various others. This Taco Bell also benefits from its close proximity to several academic institutions, most notably Austin Peay State University, Daymar College, Bethel University and Nashville State Community College within a 5-mile radius, which have a total enrollment of approximately 15,000 students.

50 miles Southeast of the site is the capitol of Tennessee. Nashville is the county seat of Davidson County and one of the fastest growing cities in the United States. Nashville is the core of the largest metropolitan area in Tennessee and ranks as the 24th largest city by population in the United States. The city is a center for music, healthcare, publishing, banking, and transportation industries. Nashville is known as the "home of country music" and has become a major music and production center. Although Nashville is known for its music, the largest industry in the city is health care. Nashville is home to more than 300 health care companies, including Hospital Corporation of America, the world's largest private operator of hospitals. Vanderbilt University and Medical Center is the city's largest employer with more than 23,021 total employees. There are numerous universities and colleges located in the Nashville MSA including: Belmont University, Tennessee State University, Lipscomb University, and Nashville State Community College, which have a total combined enrollment in excess of 31,524 students annually.





# Property Photo





# Surrounding Area Photos

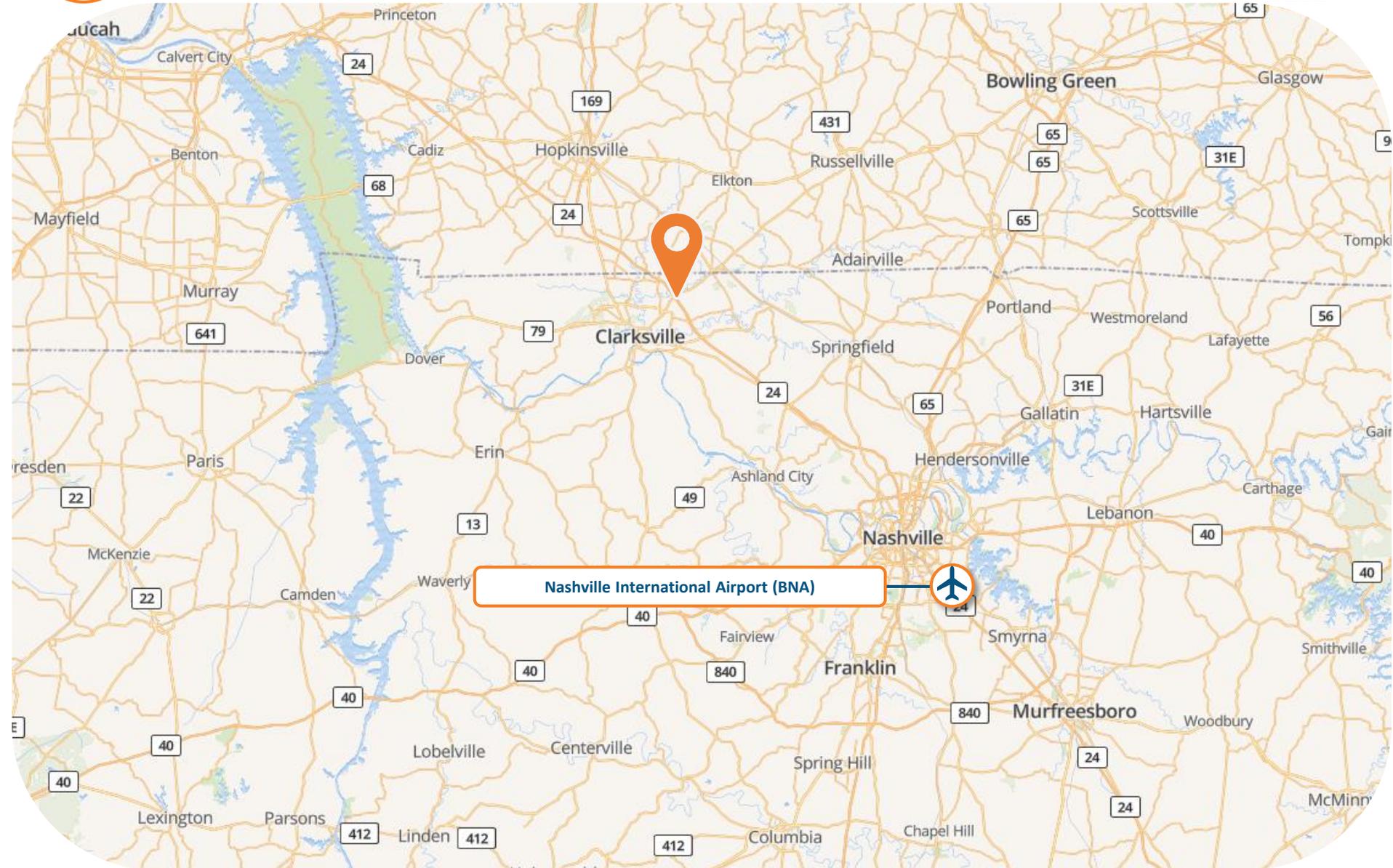




# Local Map



Property Address: 1720 Tiny Town Road, Clarksville, TN 37042

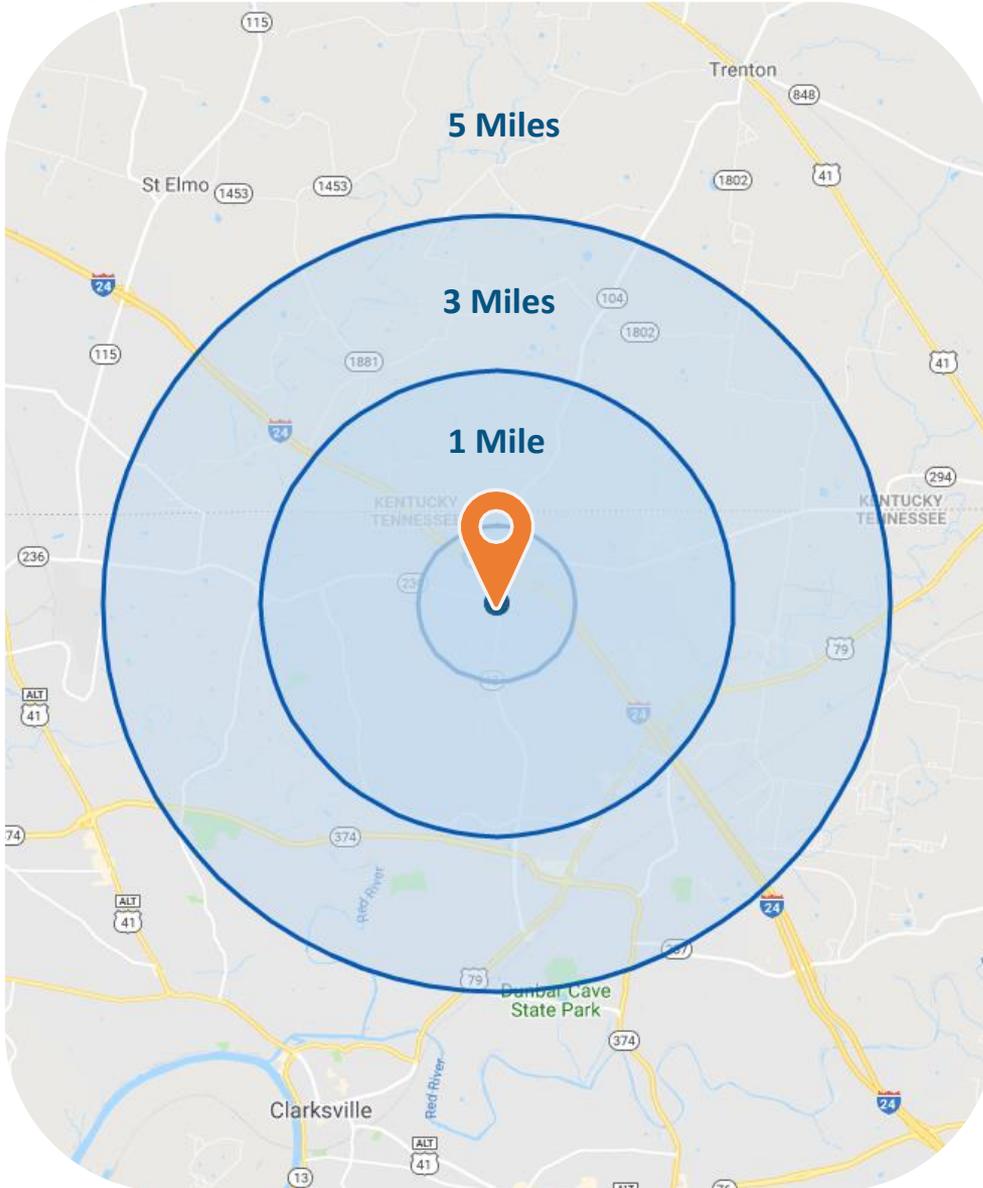






# Demographics

Property Address: 1720 Tiny Town Road, Clarksville, TN 37042



|                             | 1 Mile    | 3 Miles   | 5 Miles   |
|-----------------------------|-----------|-----------|-----------|
| <b>POPULATION</b>           |           |           |           |
| 2023 Projection             | 5,859     | 43,195    | 76,266    |
| 2018 Estimate               | 4,836     | 35,108    | 65,262    |
| 2010 Census                 | 3,901     | 28,034    | 51,435    |
| 2000 Census                 | 907       | 8,908     | 25,798    |
| <b>INCOME</b>               |           |           |           |
| Average                     | \$72,984  | \$72,248  | \$69,118  |
| Median                      | \$67,490  | \$65,383  | \$62,084  |
| Per Capita                  | \$26,424  | \$25,928  | \$24,924  |
| <b>HOUSEHOLDS</b>           |           |           |           |
| 2023 Projection             | 2,155     | 15,749    | 27,841    |
| 2018 Estimate               | 1,751     | 12,600    | 23,502    |
| 2010 Census                 | 1,390     | 9,934     | 18,251    |
| 2000 Census                 | 318       | 3,027     | 8,916     |
| <b>HOUSING</b>              |           |           |           |
| 2018                        | \$167,046 | \$165,786 | \$159,643 |
| <b>EMPLOYMENT</b>           |           |           |           |
| 2018 Daytime Population     | 4,998     | 22,038    | 52,379    |
| 2018 Unemployment           | 3.71%     | 3.35%     | 3.57%     |
| 2018 Median Time Traveled   | 26        | 26        | 26        |
| <b>RACE &amp; ETHNICITY</b> |           |           |           |
| White                       | 59.64%    | 60.96%    | 61.85%    |
| Native American             | 0.49%     | 0.46%     | 0.51%     |
| African American            | 24.95%    | 24.30%    | 23.67%    |
| Asian/Pacific Islander      | 3.92%     | 3.38%     | 3.43%     |



# Market Overview

City: Nashville | County: Davidson | State: Tennessee

*Nashville, Tennessee*

## Nashville

50 miles Southeast of the site is the capitol of Tennessee. Nashville is the county seat of Davidson County and one of the fastest growing cities in the United States. Nashville is the core of the largest metropolitan area in Tennessee and ranks as the 24th largest city by population in the United States. The city is a center for music, healthcare, publishing, banking, and transportation industries. Nashville is known as the “home of country music” and has become a major music and production center. Although Nashville is known for its music, the largest industry in the city is health care. Nashville is home to more than 300 health care companies, including Hospital Corporation of America, the world’s largest private operator of hospitals. Vanderbilt University and Medical Center is the city’s largest employer with more than 23,021 total employees. There are numerous universities and colleges located in the Nashville MSA including: Belmont University, Tennessee State University, Lipscomb University, and Nashville State Community College, which have a total combined enrollment in excess of 31,524 students annually.

In recent times Nashville has been described as a "southern boomtown" by numerous publications, as evidenced by the city having the third fastest growing economy in the United States as of 2017. It has been stated by the US Census bureau that Nashville "adds an average of 100 people a day to its net population increase". The Nashville region was also stated to be the "Number One" Metro Area for Professional and Business Service Jobs in America, as well as having the “Hottest Housing Market in America”, as stated by Zillow.

## Major Employers

| Employer                       | Estimated # of Employees |
|--------------------------------|--------------------------|
| Fluor Federal Solutions LLC    | 2,500                    |
| Gryphon Investors Inc          | 2,337                    |
| Barkers Mill Elementary School | 1,150                    |
| Clarksville Memorial Hospital  | 1,000                    |
| U-Haul                         | 640                      |
| Jostens Printing & Publishing  | 600                      |
| Akebono                        | 515                      |
| Superior Maintenance Co        | 513                      |
| Walmart                        | 408                      |
| Metalpha                       | 375                      |



Marcus & Millichap

**NNN**  
PRO GROUP

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