

ABSOLUTE NET (NNN) TACO BELL

Castle Rock (Denver MSA), CO



 21,000 VPD

Subject Property


TACO BELL

 Castle Rock Family Physicians

 Mirage Dental Associates

PROPERTY INFO

Tenant	Taco Bell
Street Address	95 Rio Grande Drive
City	Castle Rock
State	CO
Zip	80104
APN	2505-11-3-12-008
GLA	2,924 SF
Lot Size	0.70 AC
Year Built	2008

FINANCIAL SUMMARY

Purchase Price	\$2,886,610
Cap Rate	5.25%
Net Operating Income	151,547
Price / SF	\$987
Rent / SF	\$16
Phone Number	(303) 536-1629
Email	SUBMIT OFFER



INVESTMENT HIGHLIGHTS

Absolute Triple-Net (NNN) Investment

This Taco Bell operates on an Absolute Triple-Net (NNN) lease with tenant fully responsible for maintenance, insurance and taxes, providing the landlord with a low maintenance asset.

Lease Backed by 200+ Unit Franchisee

The lease is backed by Alvarado Concepts, LLC, a 200+ unit operator with over 35 years of operating history.

Ample Rent Growth - 10% Increases Every Five Years

There are 10% rental increases built into the lease every five years, providing the landlord with positive rent growth and a hedge against inflation.

Strong Tenant Commitment

The lease features an initial term of 14 years with an additional five, 5-year options to extend the lease through 10/23/2058, indicating a strong commitment to the site.

Conservative Rent-to-Sales Ratio

The subject property has a current rent-to-sales ratio below 8%, providing the landlord with a well grounded and sound cash-flow.

Globally Recognized Brand

Taco Bell is a globally recognized brand with a total worldwide system sales growth of 6% in FY'18, a trend which is expected to continue along with the expansion of stores internationally.

The Offering

Taco Bell

95 Rio Grande Dr, Castle Rock, CO 80104



21,000 VPD

TSC TRACTOR
SUPPLY CO.

ANYTIME
FITNESS

Papa Murphy's
TAKE 'N BAKE PIZZA

BIG O TIRES

SAFeway

Subject Property

TACO BELL

Castle Rock Family
Physicians

Mirage Dental
Associates

LEASE SUMMARY

Lease Type	Absolute Net (NNN)
Type of Ownership	Fee Simple
Original Lease Term	14 Years
Commencement Date	April 17, 2019
Lease Expiration	October 23, 2033
Term Remaining	14.44 Years
Increases	10% Every Five Years
Options	Five, Five-Year Options
ROFR / ROFO	N/A

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
Lease Guarantor	Franchisee
Company Name	Alvarado Concepts, LLC
Ownership	Private
Years in Business	35
Number of Locations	200+



REAL ESTATE HIGHLIGHTS

Excellent Site-Level Visibility

Ideally located off of Interstate 25, this property has visibility from over 21,000 vehicles passing per day.

Strong Demographics

The 5-mile area surrounding the real estate comprises an estimated total population of over 75,000 with an average household income above \$120,000.

Infill Retail Corridor

National tenants within a one-mile radius of the subject property includes Walgreens, AutoZone and Safeway.

Drive Thru-Location

This location features a dedicated drive-thru, which adds a meaningful level of convenience to the customer experience and drives sales.

Thriving Denver Metropolitan Statistical Area

As part of the Denver MSA, the area has experienced continuous employment and population growth above the U.S average over the past five years, totaling nearly 3 million residents in 2019.

2020 Slated Remodel

This asset is slated for a remodel in 2020, which will likely include a meaningful update based on one of the most current Taco Bell models. See p.5 for current remodels.





RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
4/17/2019-10/23/2023	Base	\$151,547.00	\$4,216.67	-	\$16.08	5.25%
10/24/2023-10/23/2028	Base	\$166,710.17	\$4,532.92	10%	\$17.69	5.78%
10/24/2028-10/23/2033	Base	\$183,371.87	\$4,872.89	10%	\$19.46	6.35%
10/24/2033-10/23/2038	Option 1	\$201,709.06	\$5,631.23	10%	\$21.40	6.99%
10/24/2038-10/23/2043	Option 2	\$221,879.97	\$6,053.57	10%	\$23.54	7.69%
10/24/2043-10/23/2048	Option 3	\$244,067.96	\$6,053.57	10%	\$25.90	8.46%
10/24/2048-10/23/2053	Option 4	\$268,474.75	\$6,053.57	10%	\$28.49	9.30%
10/24/2053-10/23/2058	Option 5	\$295,322.23	\$6,053.57	10%	\$31.34	10.23%

ABOUT THE BRAND

Brand Overview

Taco Bell serves made-to-order and customizable tacos and burritos, among other 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 serves over 42 million customers each week through more than 7,000 restaurants across the globe, as well as through its mobile, desktop and delivery ordering services.

As the leading Mexican-inspired quick service restaurant brand, Taco Bell plans to have 9,000 restaurants by the year 2023, which the company anticipates will add an estimated 100,000 jobs nationwide.

Under the parent company, Yum! Brands Inc., Taco Bell is part of a family of fast food powerhouses which include both KFC and Pizza Hut. Yum! Brands Inc., a Fortune 500 company, had revenues exceeding \$6 billion in 2016.

LOCATIONS	COUNTRIES	YEARLY CUSTOMERS
7,000+	27	2 Billion



RECENT NEWS

February 2019

To ensure faster delivery, Taco Bell has integrated its point-of-sale system directly into the Grubhub app and began offering free nationwide delivery for a limited time.

January 2019

The company announced its efforts to test a dedicated vegetarian menu aimed at appealing to consumers' dietary needs.

January 2019

Taco Bell continued its expansion into international marketing by opening its first restaurant in Thailand. The company now operates in nearly 30 markets around the world.



August 2018

Taco Bell announced plans to expand the brand's presence in the Northeast by opening three new Taco Bell Cantina locations in Manhattan. Taco Bell opened sixteen Cantinas across the country in 2018.

March 2018

Nacho Fries became the company's most successful product launch in the chain's history, selling 53 million orders in five weeks.

November 2018

The Taco Bell Foundation more than Doubles the Live Más Scholarship Commitment To \$21 Million By 2021, supporting students nationally.



LOCATION OVERVIEW

The City of Castle Rock

Castle Rock is the seat of Douglas County as well as the county school district, which includes 18 public and 3 private schools, servicing over 6,000 students in the area.

7th Most Populous County in CO

Douglas County is centrally located between Colorado's two largest cities, Denver and Colorado Springs, with a total population exceeding 300,000 residents in 2017.

Castle Rock's \$2.8M Capital Investment Plan FY'19

Castle Rock Economic Development Fund has committed a total of \$2.8M in FY'19 to support their five-year CIP, which includes incentives to further increase economic activity and job growth in the area.

Attractive Real Estate Market

The Denver MSA had a rate of 46% preleased retail developments in FY'18 with current vacancy rates as low as 4.5%.





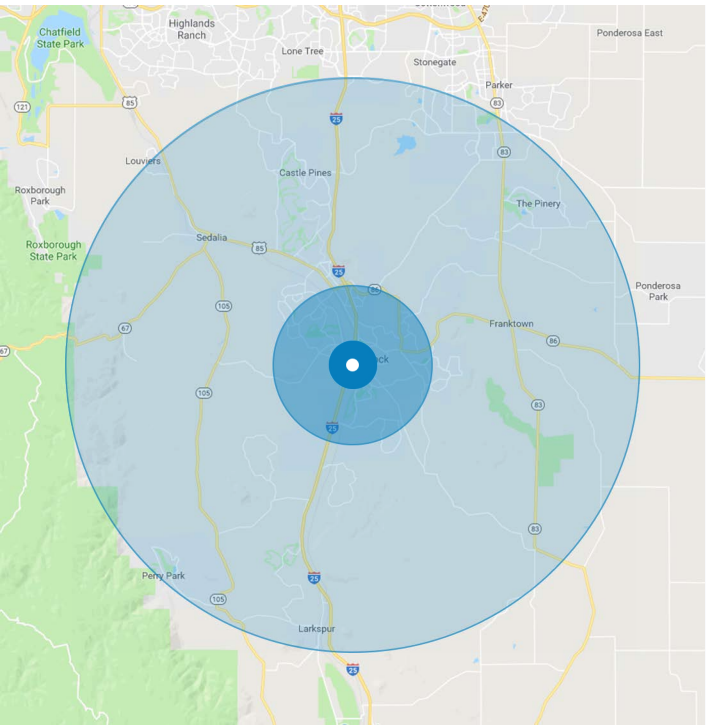


DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE	10 MILE
2024 Projection	6,842	44,236	75,802	123,804
2019 Estimate	6,062	39,665	68,689	112,735
2010 Census	3,729	27,688	52,886	90,515
Growth 2019 - 2024	12.87%	11.52%	10.36%	9.82%
Growth 2010 - 2019	62.56%	43.26%	29.88%	24.55%

Strong Demographics

The five-mile area surrounding the real estate comprises an estimated total population of over 75,000 with an average household income above \$120,000.

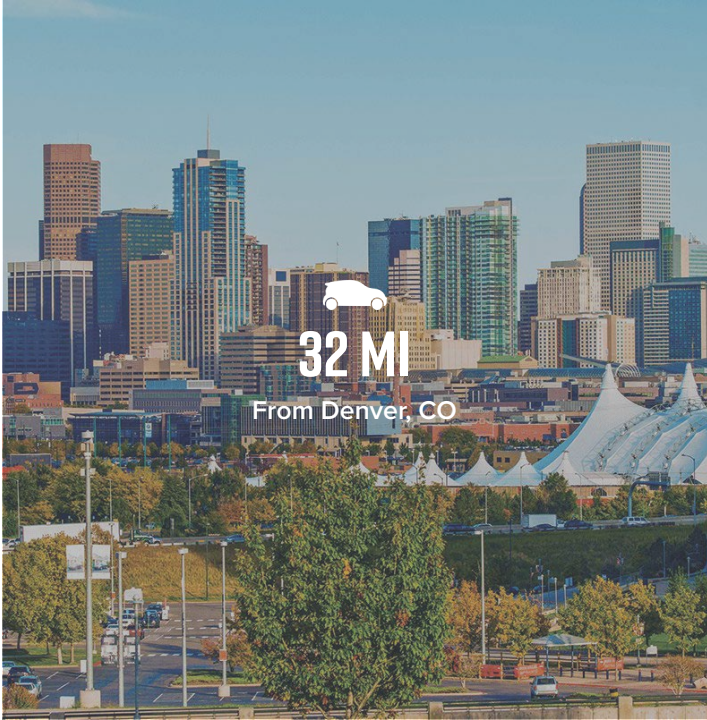


HOUSEHOLDS

	1 MILE	3 MILE	5 MILE	10 MILE
2024 Projection	3,164	16,082	26,764	43,628
2019 Estimate	2,782	14,404	24,205	39,678
2010 Census	1,584	10,030	18,455	31,763
Growth 2019 - 2024	13.73%	11.65%	10.57%	9.96%
Growth 2010 - 2019	75.63%	43.61%	31.16%	24.92%

HOUSEHOLDS

Avg. HH Income	\$69,039	\$114,878	\$123,022	\$138,598
Med. HH Income	\$48,304	\$92,207	\$99,040	\$112,505



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Taco Bell

Disclaimer

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SUBMIT OFFER



Taco Bell

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