

TACO BELL | WESLEY CHAPEL, FL (TAMPA MSA)

Offering Memorandum

Subject Property



*Triple-Net (NNN) Lease With
Approx 17 Years Remaining
(Recently Extended)*



*On Wesley Chapel Blvd With
a Daily Traffic Count of More
Than 53,000 Vehicles*



*Part of the Tampa MSA
Which has Roughly Three
Million Residents*



*Taco Bell Has Operated From
This Location Since Approx.
2006*

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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.

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SUBJECT PROPERTY



Overview

5406 Bruce B. Downs Blvd, Wesley Chapel, FL 33544
Tampa-St. Petersburg MSA

Price:	\$2,670,500
Cap Rate:	5.15%
Rentable Square Feet:	2,660
Annual Rent:	\$137,532
Price PSF:	\$1,003.95
Land Area:	1.12 Acres
Year Built:	2006

Investment Highlights

- Triple Net Lease (NNN) With Approximately 17 Years Remaining
- Tenant Recently Renewed Lease for an Additional 15 Years Commencing on October 21, 2021
- Three, Five-Year Renewal Options with Rent Increases Throughout Base Term and Option Periods
- Down the Street from 400,000+ Square-Foot Retail Property that is Planned to be Expanded to 1.3 Million Square Feet of Retail, Entertainment Space, and Potentially New Residences
- Surrounding National Retailers Include Walmart Supercenter, Publix, Bed Bath & Beyond, Old Navy, Dick's Sporting Goods, Best Buy, PetSmart, Applebee's, Chili's, Dunkin Donuts, Wawa, Bank of America and Many More
- Off Interstate 75 With a Daily Traffic Count of 98,000 Vehicles
- Located on Wesley Chapel Boulevard With a Daily Traffic Count of More Than 53,000 Vehicles
- Part of the Tampa MSA With Roughly Three Million Residents With Strong Demographics In Immediate Area
- 14 Miles North of the University of South Florida and Busch Gardens Tampa Bay



Lease Summary

Tenant:	Taco Bell
Website:	www.TacoBell.com
Lease Guarantor:	Jett Florida Bells, LLC
Lease Type:	NNN
Option Periods:	3, 5-Year Option
Rental Increases:	Throughout Base Term & Options
Roof & Structure:	Tenant
Rent Commencement:	9/29/2006
Lease Expiration:	9/30/2036

Base Term	Annual	Rent PSF	Cap Rate
Current-9/30/2021:	\$137,532	\$51.70	5.15%
10/1/2021-9/30/2031:	\$148,535	\$55.84	5.56%
10/1/2031-9/30/2036:	\$163,389	\$61.42	6.12%

Option Periods	Annual	Rent PSF	Cap Rate
10/1/2036-9/30/2041:	\$179,728	\$67.57	6.73%
10/1/2041-9/30/2046:	\$197,700	\$74.32	7.40%
10/1/2046-9/30/2051:	\$217,470	\$81.76	8.14%

Yum! Brands, Inc., based in Louisville, Kentucky, has over 48,000 restaurants in more than 145 countries and territories primarily operating the company's restaurant brands – KFC, Pizza Hut and Taco Bell – global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over eight new restaurants per day on average, making it a leader in global retail development. In 2018, 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*. In 2019, Yum! Brands was named to the Bloomberg Gender-Equality Index for the second consecutive year.

Since their spin-off from PepsiCo in 1997, they've become a truly global company led by over 2,000 world-class franchisees. In 2016, they successfully spun off their China business as an independent, publicly traded company and announced their Recipe for Growth, their multi-year growth strategy to become more focused, more franchised and more efficient.

As the company builds a world with more Yum!, they're also sharpening their set of shared values and elevating the company's brands and business practices through their Recipe for Good, the global citizenship and sustainability strategy. This means listening to and engaging with stakeholders around their three priority areas of Food, Planet and People. The company is on a journey when it comes to sustainability work and are proud of the progress they're making on the priority issues that are most material to the business.

Yum! Brands is also extremely proud of the 1.5 million employees and franchise associates in their system around the globe and the unique culture they have built grounded on innovation, inclusion and growth. They believe in their people, trust in their positive intentions, encourage ideas from everyone and have actively developed a workforce that is diverse in style and background.



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 delicious choices, and is the first Quick Service Restaurant to offer American Vegetarian Association (AVA)-certified menu items. Taco Bell and its more than 350 franchise organizations proudly serve more than two billion customers each year at 7,072 restaurants, more than 93 percent of which are owned and operated by independent franchisees and licensees. By 2022, the brand plans to operate 9,000 restaurants globally. Taco Bell and franchise partners in Brazil and Spain have signed on to open more than 400 restaurants in the next decade. Taco Bell's same-store sales has increased four percent 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.



Distinctive, Relevant
& Easy Brands



Bold Restaurant
Development



Unmatched Franchise
Operating Capability



Unrivaled
Culture & Talent

Jett Florida Bells, LLC

Jett Florida Bells, LLC is currently in the process of acquiring 18 Taco Bell restaurants from GMI, Inc., which operates restaurants within the Tampa area. The franchisor, Taco Bell Corporate, has approved this transaction.

Jett Florida Bells, LLC is affiliated with other companies that are Yum! Brands franchisees, with 112 restaurants operating in four states in the Southeast US, including Alabama, Florida, Georgia and South Carolina. These owned and operated restaurants consist of 37 Taco Bell, one Taco Bell/KFC and 74 Pizza Hut restaurants. Affiliated companies own and operate 22 Taco Bell restaurants in the Tampa area and 15 Taco Bell and one Taco Bell/KFC restaurants in Charleston, SC. Sales for these Taco Bell entities totaled \$54.9 million in 2018 compared to \$50.9 million in 2017.

Jett and the affiliated companies are strategically positioned for growth. Nine new Taco Bell restaurants were opened in the last four years, and two new restaurants are currently under construction and scheduled to open in early 2019. Between the two markets, new growth of approximately four Taco Bell restaurants are expected each year. All of the companies are committed to the success of the Taco Bell brand and have accelerated its major remodeling efforts with its final asset upgrade currently under way in Tampa, FL.



*One Mile
From
Subject
Property*

COMMERCIAL REAL ESTATE



BUSINESS OBSERVER

FRIDAY, SEP. 27, 2019 5 days ago

Grove at Wesley Chapel to expand

New owners plan to nearly triple existing retail space at existing center

The new owners of the Grove at Wesley Chapel retail center north of Tampa intends to nearly triple the amount of retail space at the 471,279-square-foot property.

Mark Gold, whose MGold Properties teamed with Israeli-based Mishorim Investments to acquire the center for \$62.7 million earlier this month, says the duo plans to add as much as 1.3 million square feet of retail and entertainment space and potentially new residences.

The new retail will be developed on 114 acres of vacant land that came with the property, at Interstate 75 and Wesley Chapel Road.

Gold says Mishorim and his company plan to invest \$150 million to expand the Grove with a mix of “small unit” stores catering to local merchants and mom-and-

pop operators; family-style restaurants; and entertainment such as a bowling alley and trampoline park.

He adds the new space will be developed over the next year.

“The area around Grove at Wesley Chapel has one of the fastest-growing populations in the entire U.S.,” Gold says. “And there are roughly 2,500 new houses that are under construction or soon will be nearby. That’s a situation that you can’t find in many places around the U.S. We think it provides a great opportunity.”

Much of the new retail — from restaurants to the planned trampoline park — will be designed with family experiences in mind, Gold says.

The current space is 87% occupied by retailers like Dick’s Sporting Goods; Bed, Bath & Beyond; Best Buy; Ross Dress for Less; T.J. Maxx; Michael’s; Old Navy; PetSmart; and a Cobb Theater Cinebistro.

Barings, the Grove seller and a subsidiary of Mass Mutual with more than \$325 billion in assets under management, was represented in the transaction by JLL Retail Capital Markets, after acquiring rival Holliday Fenoglio Fowler L.P. in July.

The legacy deal involved HFF Senior Managing Director and co-head of the firm’s retail practice Daniel Finkle, Managing Director Luis Castillo and Director Eric Williams.

“The opportunity to acquire a large-scale commercial property in a major Florida MSA with significant value-add potential appealed to the market and drove strong investor interest,” says Castillo, in a statement.

Together, Gold and Mishorim, whose stock is traded on the Tel Aviv Stock Exchange, have acquired more than 20 mostly retail properties throughout the Southeast U.S.

Gold’s Jacksonville-based company’s portfolio controls more than six million square feet of retail space in Alabama, Florida, North Carolina, Nevada, Virginia and Tennessee, according to its website.

In Florida, MGold’s holdings are located in Jacksonville, Orlando and Wesley Chapel.

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98,000
Daily



53,500
Daily


To be Expanded to
1.3 Million Square
Feet of Retail,
Entertainment, and
Potentially New
Residences

Wesley Chapel Blvd.



Walgreens



Walmart 

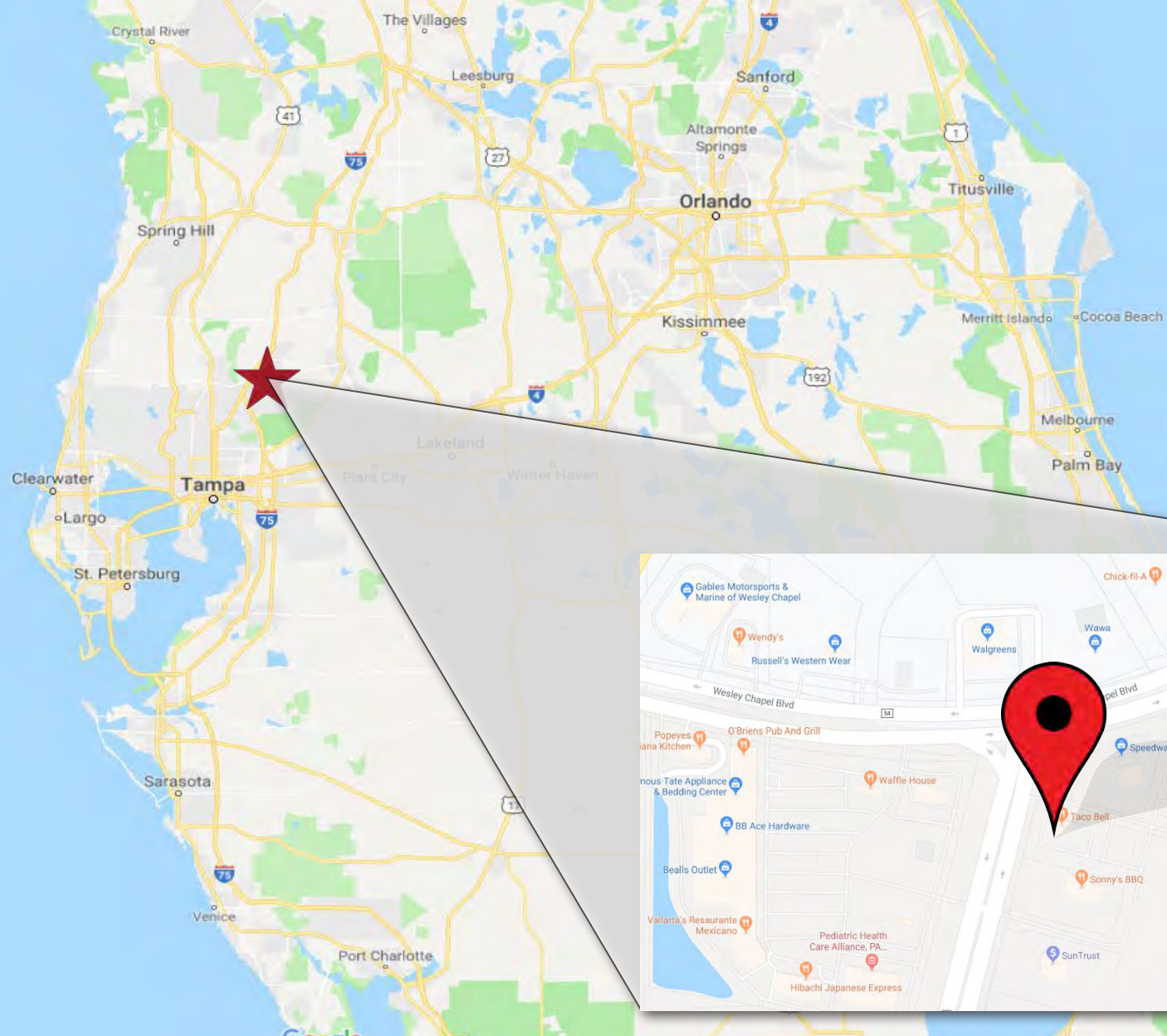
 53,500
Daily

Wesley Chapel Blvd.

Next Door
to Subject
Property



LOCAL & REGIONAL MAPS



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 roughly 3 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 369,500 people and is situated northeast of the bay. St. Petersburg follows with nearly 256,000 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 and large suburban master planned communities.

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.



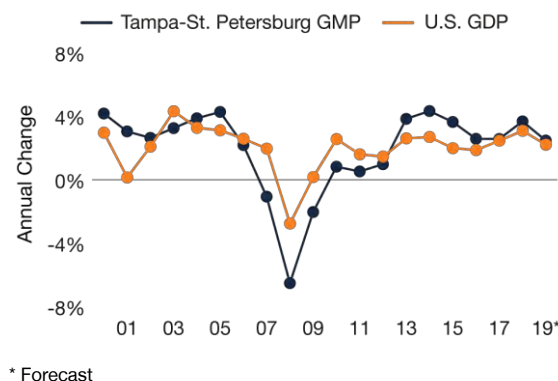
ECONOMY

- 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, Raymond James Financial 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
Tampa International Airport
Verizon Communications, Inc.
MacDill Air Force Base
University of South Florida
JPMorgan Chase
Citibank
TECO Energy Inc.

Economic Growth



SHARE OF 2018 TOTAL EMPLOYMENT

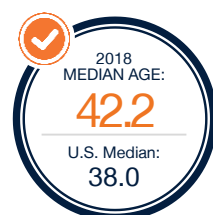
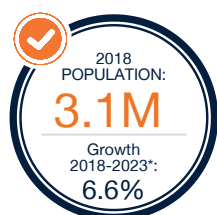




DEMOGRAPHICS

- The local population will expand to approximately 3.2 million residents through 2023. 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 \$240,000, is below the national median.
- Almost 28 percent of residents hold bachelor's degrees, with 9 percent having also attained a graduate or professional degree.

2018 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, historical 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



ARTS & ENTERTAINMENT



DEMOGRAPHICS

POPULATION	3 MILES	5 MILES	10 MILES
2010 Population	26,056	66,560	210,850
2018 Population	28,975	77,221	244,070
2023 Population	35,955	96,903	292,331
2018 Male Population	14,119	37,373	118,996
2018 Female Population	14,856	39,848	125,074
2018 Median Age	37.0	36.8	39.8

RACE & ETHNICITY	3 MILES	5 MILES	10 MILES
American Indian, Eskimo	0.3%	0.3%	0.3%
Asian	5.2%	6.1%	6.6%
Black	12.0%	13.6%	10.7%
Hawaiian/Pacific Islander	0.1%	0.1%	0.1%
White	73.4%	70.8%	75.4%
Other	4.8%	4.5%	3.3%
Multi-Race	4.2%	4.5%	3.7%
Hispanic Ethnicity	24.2%	24.1%	18.9%
Not of Hispanic Ethnicity	75.8%	75.9%	81.1%

HOUSEHOLD INCOME	3 MILES	5 MILES	10 MILES
2010 Avg Household Income	\$75,818	\$79,420	\$80,365
2018 Avg Household Income	\$89,508	\$91,108	\$92,785
2023 Avg Household Income	\$96,216	\$98,484	\$104,012
2010 Med. Household Income	\$64,241	\$67,034	\$60,995
2018 Med. Household Income	\$72,773	\$73,968	\$69,524
2023 Med. Household Income	\$78,547	\$79,951	\$78,486
2010 Per Capita Income	\$26,513	\$28,080	\$30,121
2018 Per Capita Income	\$31,173	\$32,157	\$34,619
2023 Per Capita Income	\$33,862	\$35,167	\$39,044

HOUSEHOLDS	3 MILES	5 MILES	10 MILES
2010 Households	9,111	23,529	78,426
2018 Households	10,091	27,252	90,520
2023 Households	12,654	34,599	109,243



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WOLFE RETAIL GROUP

The Wolfe Pack *of* Marcus & Millichap

The Wolfe Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling over 500 separate commercial properties with a market value exceeding \$1.45 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe Retail Group or to view all of our available listings, visit www.WolfeRetailGroup.com



**The Wolfe
Retail Group
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500 properties
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40 states**

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Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.

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