

OFFERING MEMORANDUM  
Net Leased Restaurant

Marcus & Millichap



**TACO BELL™**

**356 North Central Avenue  
Umatilla, FL 32784**

**New Construction  
Opening November 2019**



Representative Photo





## INVESTMENT OVERVIEW

Property Address	356 North Central Avenue
City, State, Zip	Umatilla, FL 32784
Estimated Building Size (SF)	2,079
Lot Size SF/Acres	38,328 SF   0.88 Acre (s)
Year Built	2019

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this absolute triple-net lease Taco Bell restaurant located in Umatilla, Florida, part of the Orlando MSA. The property will be operated by U.S. Leader Restaurants, Inc, part of a multi-brand entity operating Taco Bells, Burger Kings and nearly 110 Popeyes in the Southeast. The property consists of a .88-acre parcel improved with an approximately 2,079-square foot building. The newly constructed restaurant has a brand new 20-year lease agreement in place with an initial annual base rent of \$138,450. The lease also calls for 1.75 percent annual rental increases in the base term, as well as the four five-year renewal options.

The new construction Taco Bell is located at the signalized hard-corner of N. Central and W. Ocala Street in the heart of Umatilla. The restaurant will benefit from limited quick service competition serving more than 19,000 vehicles traveling along this intersection, as well as multiple nearby schools with a combined enrollment of more than 2,000 students within a one-mile radius, including the adjacent 824-student Umatilla High School. Nearby retailers include Pizza Hut, McDonalds, Dollar General, and NAPA Auto Parts.

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 here in 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. ©2018 Marcus & Millichap ACT ID # ZAA0390856

**BRAND NEW  
20-YEAR LEASE WITH  
ZERO LANDLORD  
RESPONSIBILITIES**



**SIGNALIZED  
HARD-CORNER**



**ANNUAL RENT INCREASES  
STRONG HEDGE  
AGAINST INFLATION**



**INCOME TAX-FREE  
STATE OF FLORIDA**



# FINANCIAL OVERVIEW

PRICE: \$2,640,000 | RENT: \$138,450

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City, State, Zip	Umatilla, FL 32784
Estimated Building Size (SF)	2,079
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## LEASE SUMMARY

Property Type	Net Leased Restaurant
Ownership	Private
Tenant	U.S. Leader Restaurants, Inc.
Guarantor	25-Unit Franchisee
Lease Commencement Date	Earlier of the date on which Lessee opens for business to the public, or 30 days after Actual Delivery Date. Anticipated delivery date of November 22 <sup>nd</sup> , 2019
Lease Expiration	20 Years Thereafter
Lease Term Remaining	20 Years
Lease Type	NNN
Roof & Structure	Tenant Responsibility
Options to Renew	Four Five-Year Options
Base Term Rental Escalations	1.75% Annually
Percentage Rent	No
Right of First Refusal	Yes

RENT SCHEDULE	ANNUAL RENT	MONTHLY RENT	CAP RATE
Year 1	\$ 138,450	\$ 11,538	5.24%
Year 2	\$ 140,873	\$ 11,739	5.34%
Year 3	\$ 143,338	\$ 11,945	5.43%
Year 4	\$ 145,847	\$ 12,154	5.52%
Year 5	\$ 148,399	\$ 12,367	5.62%
Year 6	\$ 150,996	\$ 12,583	5.72%
Year 7	\$ 153,638	\$ 12,803	5.82%
Year 8	\$ 156,327	\$ 13,027	5.92%
Year 9	\$ 159,063	\$ 13,255	6.03%
Year 10	\$ 161,846	\$ 13,487	6.13%
Year 11	\$ 164,679	\$ 13,723	6.24%
Year 12	\$ 167,560	\$ 13,963	6.35%
Year 13	\$ 170,493	\$ 14,208	6.46%
Year 14	\$ 173,476	\$ 14,456	6.57%
Year 15	\$ 176,512	\$ 14,709	6.69%
Year 16	\$ 179,601	\$ 14,967	6.80%
Year 17	\$ 182,744	\$ 15,229	6.92%
Year 18	\$ 185,942	\$ 15,495	7.04%
Year 19	\$ 189,196	\$ 15,766	7.17%
Year 20	\$ 192,507	\$ 16,042	7.29%
Option I	Rent Shall Increase 1.75% Annually		
Option II	Rent Shall Increase 1.75% Annually		
Option III	Rent Shall Increase 1.75% Annually		
Option IV	Rent Shall Increase 1.75% Annually		
Average Cap Rate During Initial Term			6.21%



# U.S. LEADER RESTAURANTS, INC. (“USL”)

US Leader Restaurants, Inc. is a 20+unit Taco Bell Franchisee that currently operates restaurants in the Orlando and Jacksonville DMAs. USL was formed in 1991 and purchased by Southern Bell Holdings in 2006. USL is 100% owned by Southern Bell Holdings, LLC which was formed for the acquisition of the USL assets in 2006 and has no other holdings. USL is currently operated and managed by equity partner, Tony Capley. Tony is a 30+ year Taco Bell veteran who previously worked for Taco Bell Corporation before joining USL in 2006. USL had revenues of \$33MM+ for 2018.

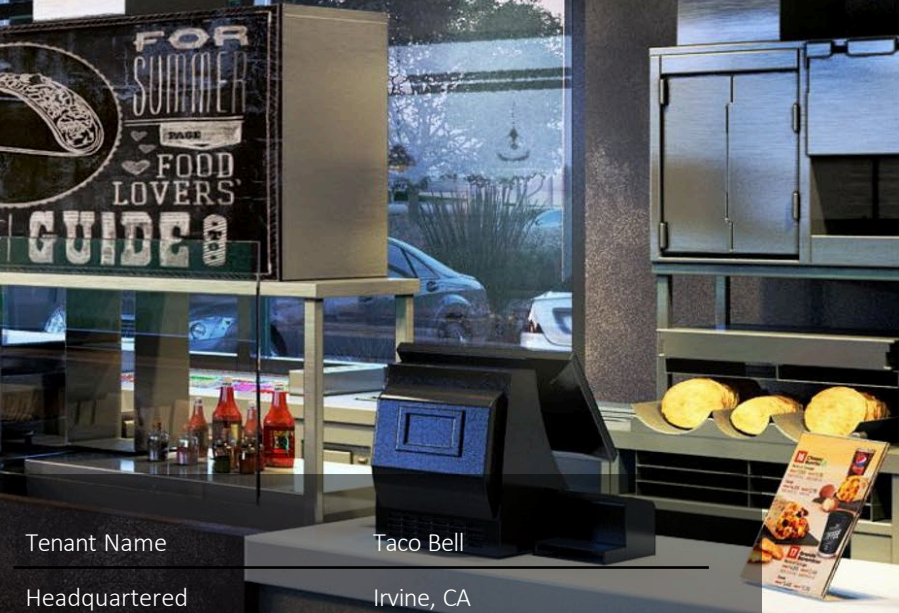
The ownership of USL has several other restaurant interests including Popeyes Louisiana Kitchen and Burger King. The collective store count is currently 145 restaurants with an aggressive growth strategy across all three quick-service restaurant brands.



## TACO BELL

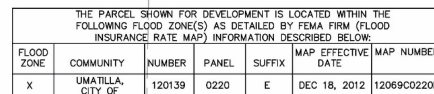
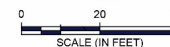
Taco Bell is an American chain of fast food restaurants based out of Irvine, California and a subsidiary of Yum! Brands, Inc. The restaurants serve a variety of Tex-Mex foods that include tacos, burritos, quesadillas, nachos, novelty and specialty items, and a variety of "value menu" items. As of 2018, Taco Bell serves more than 2 billion customers each year at 7,000 restaurants, more than 80 percent of which are owned and operated by independent franchisees and licensees.

Yum!



Tenant Name	Taco Bell
Headquartered	Irvine, CA
Website	<a href="http://www.tacobell.com">www.tacobell.com</a>
Parent Company	YUM! Brands, Inc
Credit Rating	BB   Ba3
Stock Ticker	YUM
2017 Sales (TB)	\$1.88 Billion
Current Price	\$109.51 as of 10/24/2019
52 Wk High/Low	\$119.72/\$84.53
Store Count	7,000
No. of Employees	210,000







**38,328 SF | .88-Acre Lot**

# Umatilla High School

(824 Students)





Florida Natural Growers

Umatilla Chamber of Commerce  
Umatilla City Hall

Umatilla Police Department

United States Postal Service

KANGAROO  
EXPRESS

W Ocala St

Umatilla Blvd

N Central Ave

N Central Ave

Bulldog Ln

Hatfield Dr



17,600 VPD

McDonalds



Umatilla High School



**FAMILY DOLLAR**

**Save  
a lot**



**DOLLAR TREE**

**ACE  
Hardware**

RV Resort

Umatilla Library

**McDonalds**

Umatilla Blvd

N Central Ave

Hatfield Dr

W Ocala St



**KANGAROO  
EXPRESS**

N Central Ave

N Central Ave







# UMATILLA, FL

Umatilla is in northern Lake County, Florida and offers many outdoor activities such as boating, fishing, camping and hiking. Nearby Alexander Springs Recreation Area features the southern end of the Florida Trail, an unpaved hiking trail 60 miles long. Located in the Ocala National Forest near the beautiful, turquoise waters of Alexander Springs, the camp sites are so popular, they are released on a six-month rolling basis. With forested scenery and abundant water, the recreation area offers camping, swimming, canoeing, scuba diving (for certified divers), hiking, birding and wildlife viewing. The Ocala National Forest, located in north central Florida, spans four counties and 383,000 acres. It is the southernmost and oldest national forest east of the Mississippi River, and protects the world's largest contiguous sand pine scrub forest.

## POPULATION

2023 Projection		
3-MILE	5-MILES	10-MILES
9,367	19,661	106,786

2018 Population		
3-MILE	5-MILES	10-MILES
8,770	18,577	99,529



## INCOME

Average		
3-MILE	5-MILES	10-MILES
\$63,381	\$65,186	\$63,889

Median		
3-MILE	5-MILES	10-MILES
\$48,076	\$46,777	\$46,032



## HOUSEHOLDS

2023 Projection		
3-MILE	5-MILES	10-MILES
3,758	8,050	45,655

2018 Households		
3-MILE	5-MILES	10-MILES
3,447	7,489	42,118





# ORLANDO MSA

A warm climate and a favorable tax structure attract visitors, employers and residents to the region. The metro is among the largest and fastest growing in Florida, with a population of more than 2.4 million residents. It is also one of the nation's most popular tourist destinations with roughly 72 million visitors annually. The Orlando metro encompasses four counties: Osceola, Orange, Seminole and Lake, covering more than 4,000 square miles in central Florida. There are numerous lakes scattered across the region and the topography is generally flat with few impediments to development. Orlando is the area's largest city, approaching 282,000 residents, followed by Kissimmee and Sanford, each with less than 100,000 residents

## METRO HIGHLIGHTS



### ECONOMIC DIVERSITY

While Orlando's economy has strong business and professional services as well as tourism components, distribution, high-tech, defense contracting and healthcare also are prevalent.



### PRO-BUSINESS ENVIRONMENT

Florida has low state and local taxes in addition to no state personal income tax, attracting businesses to the region.



### JOB AND POPULATION GROWTH

Orlando's population is expected to increase by 248,000 people over the next five years, as job gains outpace the national average.

## ECONOMY

- Key industries in the region include aerospace and defense systems, modeling, simulation and training, digital media, tourism and biotechnology.
- The metro is transforming into a digital media hub, housing hundreds of media companies.
- Orlando is a top vacation and business convention destination and is home to theme parks and tourist attractions, which support retail sales and a large hospitality sector.
- The local life sciences, biotech and medical technology industries are growing. Lake Nona Medical City is a 650-acre health and life sciences park located in the metro.



2018  
POPULATION

**2.5M**

Growth 2018-2023\*:  
**10.0%**



2018  
HOUSEHOLD

**926K**

Growth 2018-2023\*:  
**11.0%**



2018  
MEDIAN AGE

**37.2**

U.S. Median  
**38**



2018  
MEDIAN  
HOUSEHOLD INCOME

**\$53,600**

U.S. Median  
**\$58,800**

\* Forecast

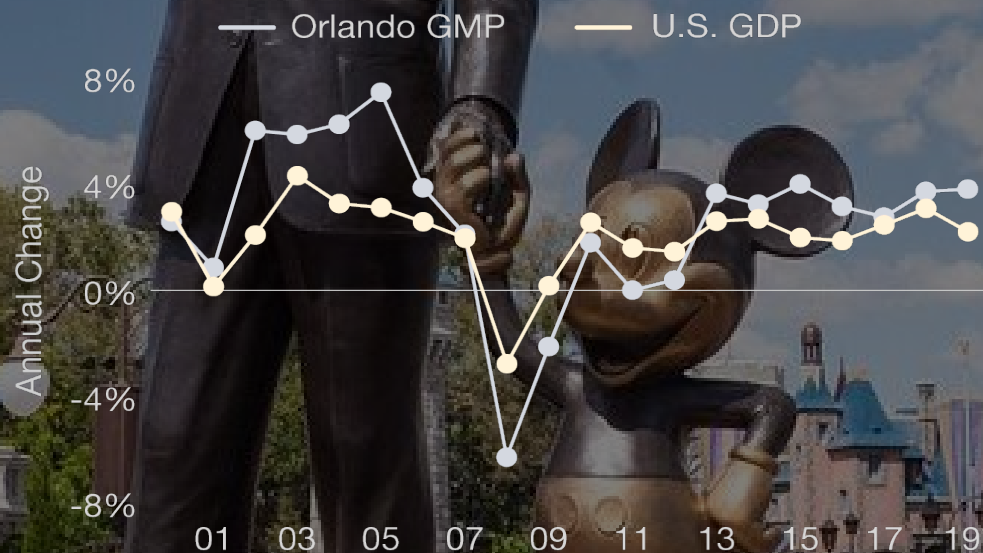
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



## QUALITY OF LIFE

Orlando residents enjoy a remarkable quality of life, highlighted by a sunny climate, professional sports teams, outdoor recreational activities, cultural venues, world-famous attractions and beaches nearby. The region offers healthcare facilities and exceptional community services such as Orlando Regional Medical Center and AdventHealth Orlando. Cultural opportunities are offered at the Dr. Phillips Center for the Performing Arts, Civic Theatre of Central Florida, the Orlando Opera Company, the Orlando Ballet Company and the Bach Festival Society. Amway Center in downtown is the Orlando Magic's arena. Large educational institutions in the area include the University of Central Florida and Valencia Community College.

## Economic Growth



## SHARE OF 2018 TOTAL EMPLOYMENT









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# Exclusive listing

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