



TACO BELL

11228 Beach Blvd, Jacksonville, FL

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Representative Photo

TYLER GROTH

ASSOCIATE

DIRECT (310) 844-9370

MOBILE (269) 326-2493

tyler.groth@matthews.com

LIC # 6501390929 (MI)

CALVIN SHORT

SVP & SENIOR DIRECTOR

DIRECT (949) 432-4506

MOBILE (310) 567-3525

calvin.short@matthews.com

LIC # 01927216 (CA)

BROKER OF RECORD

Kyle Matthews
LIC # CQ1052263 (FL)

INVESTMENT HIGHLIGHTS

- » **Long-Term Passive Income** – Over 15 years remain on an absolute NNN Lease with zero landlord responsibilities. Tenant pays for insurance, utilities, taxes, CAM, and maintains all facets of the site.
- » **Commitment to Site** - Taco Bell has operated at this location since 1993 (27 years), with the tenant recently agreeing to complete a full remodel in 2020, at the tenant's expense, to bring the store up to date with the most modern Taco Bell prototype.
- » **High Performing Store** - Consistent history of above average store sales and a current rent to sales ratio of 7.5% presents a very stable future outlook for tenant profitability.
- » **Strong Traffic Counts** – More than 50,000 vehicles drive by this property daily.
- » **Hedge Against Future Inflation** - Rental increases of 7.50% every 5 years provide increasing cashflow over the initial term of the lease, as well as in the option periods.
- » **Experienced Operator** – Southeast QSR Restaurant Holdings LLC is one of the largest and most experienced Taco Bell operators in the system with 58 units throughout the Southeast region.
- » **Taco Bell is one of the fastest growing QSR (Quick Service Restaurant) brands in the country**, and is the definitive leader in the Mexican QSR category.
- » **Jacksonville is the most populous city in Florida**, with the Subject Property's 1-mile and 3-mile population projected to increase by nearly 10% over the next 5 years.
- » **Nearby Commercial Tenants** – Include Arby's, Checkers, Walgreens, Sonic Drive-In, Pizza Hut, Winn-Dixie, CVS, Shell, Wells Fargo, Domino's Pizza, Dollar Tree, Little Caesar's Pizza and more.

Financial Overview



Investment Summary

» OFFERING PRICE	\$2,670,103
» NOI (YEAR 1)	\$129,500
» CAP RATE (YEAR 1)	4.85%
» TOTAL BUILDING AREA	±2,924 SF
» TOTAL LAND AREA	±24,394 SF (0.56 Acres)
» YEAR BUILT/RENOVATED	2000/2020

Tenant Summary

Tenant Trade Name	Taco Bell
Tenant	Southeast QSR Restaurant Holdings LLC
Type of Ownership	Fee Simple
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15.50 Years
Lease Commencement Date	3/1/20
Lease Expiration Date	4/1/35
Term Remaining	15.21 Years
Increases	7.50% Every 5 Years
Options	4, 5 Year Options

Annualized Operating Data

	Term	Rent	Cap Rate	Increase
Year 1-5	3/1/2020 - 4/1/2025	\$129,500	4.85%	
Year 6-10	3/1/2025 - 4/1/2030	\$139,213	5.21%	7.50%
Year 11-15	3/1/2030 - 4/1/2035	\$149,653	5.60%	7.50%
Option 1	3/1/2035 - 4/1/2040	\$160,877	6.03%	7.50%
Option 2	3/1/2040 - 4/1/2045	\$172,943	6.48%	7.50%
Option 3	3/1/2045 - 4/1/2050	\$185,914	6.96%	7.50%
Option 4	3/1/2050 - 4/1/2055	\$199,858	7.49%	7.50%

Tenant Overview

TENANT OVERVIEW

Operating as a subsidiary of Yum! Brands, Inc., Taco Bell Corp. owns, operates, and franchises a chain of Mexican-inspired quick service restaurants in the United States. The company's restaurants offer made to order and customizable tacos, burritos, quesadillas, gorditas, nachos, chalupas, beverages, desserts and sides, and other specialty items. As the leading Mexican-inspired quick service restaurant brand, Taco Bell and its more than 350 franchise organizations proudly serve over 42 million customers each week through nearly 7,000 restaurants across the nation, as well as through its mobile, desktop and delivery ordering services. Overseas, Taco Bell has over 250 restaurants, with plans to add 2,000 more restaurants internationally within the next decade. In 2016, Taco Bell was named as one of Fast Company's Top 10 Most Innovative Companies in the World. Taco Bell plans to have 8,000 restaurants by the year 2023, which is anticipated to add an estimated 100,000 jobs nationwide.

THE OFFERING

PROPERTY NAME		TACO BELL
Property Address	11228 Beach Blvd, Jacksonville, FL 32246	
SITE DESCRIPTION		
Number of Stories	One	
Year Built	2020	
GLA	±2,924 SF	
Lot Size	±24,394 SF (0.56 Acres)	
Type of Ownership	Free Simple	



PARENT COMPANY TRADE NAME
YUM! BRANDS, INC. (NYSE: YUM)



CREDIT RATING (S&P)
BB



OF LOCATIONS
± 6,500



OF EMPLOYEES
± 175,000

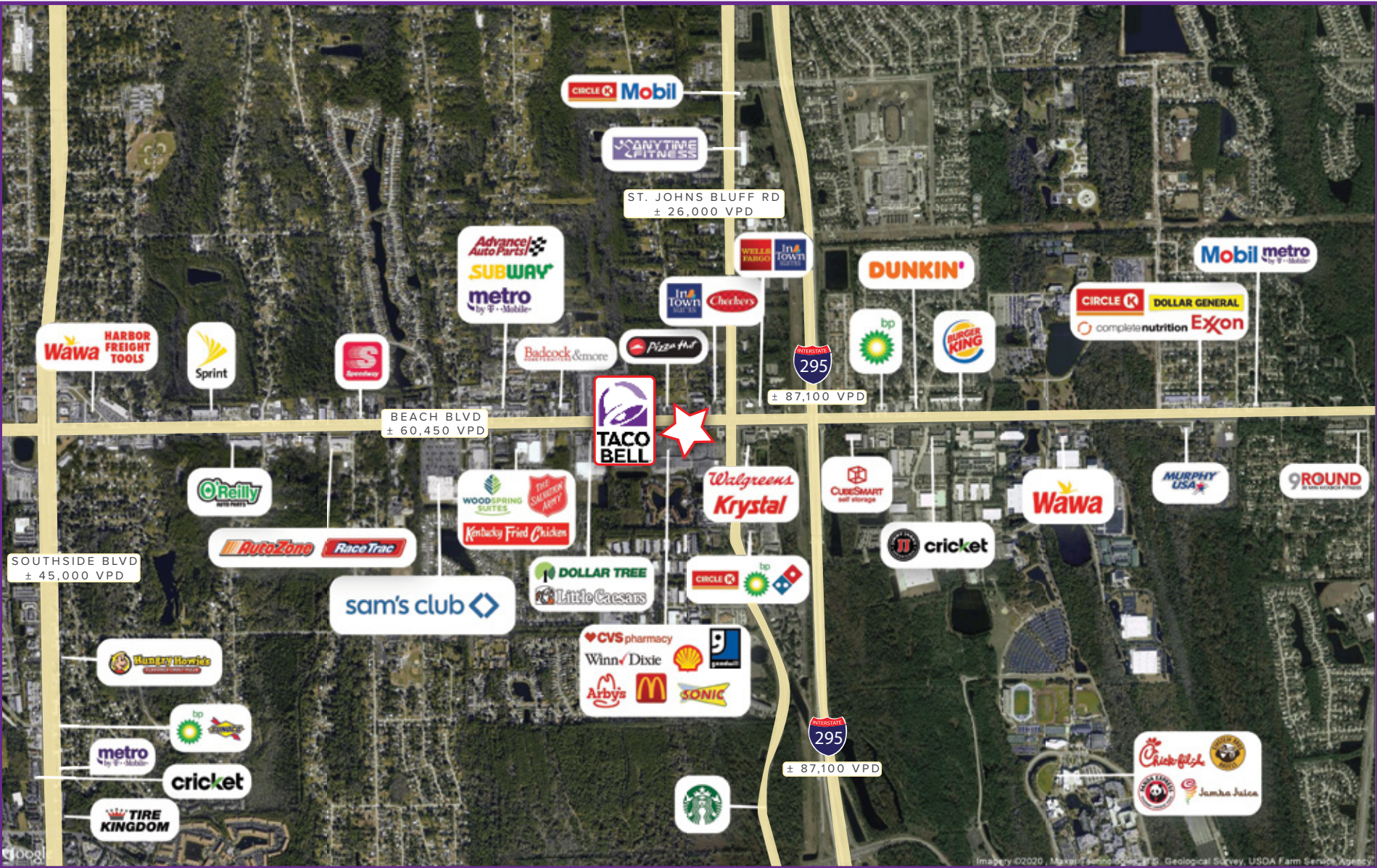


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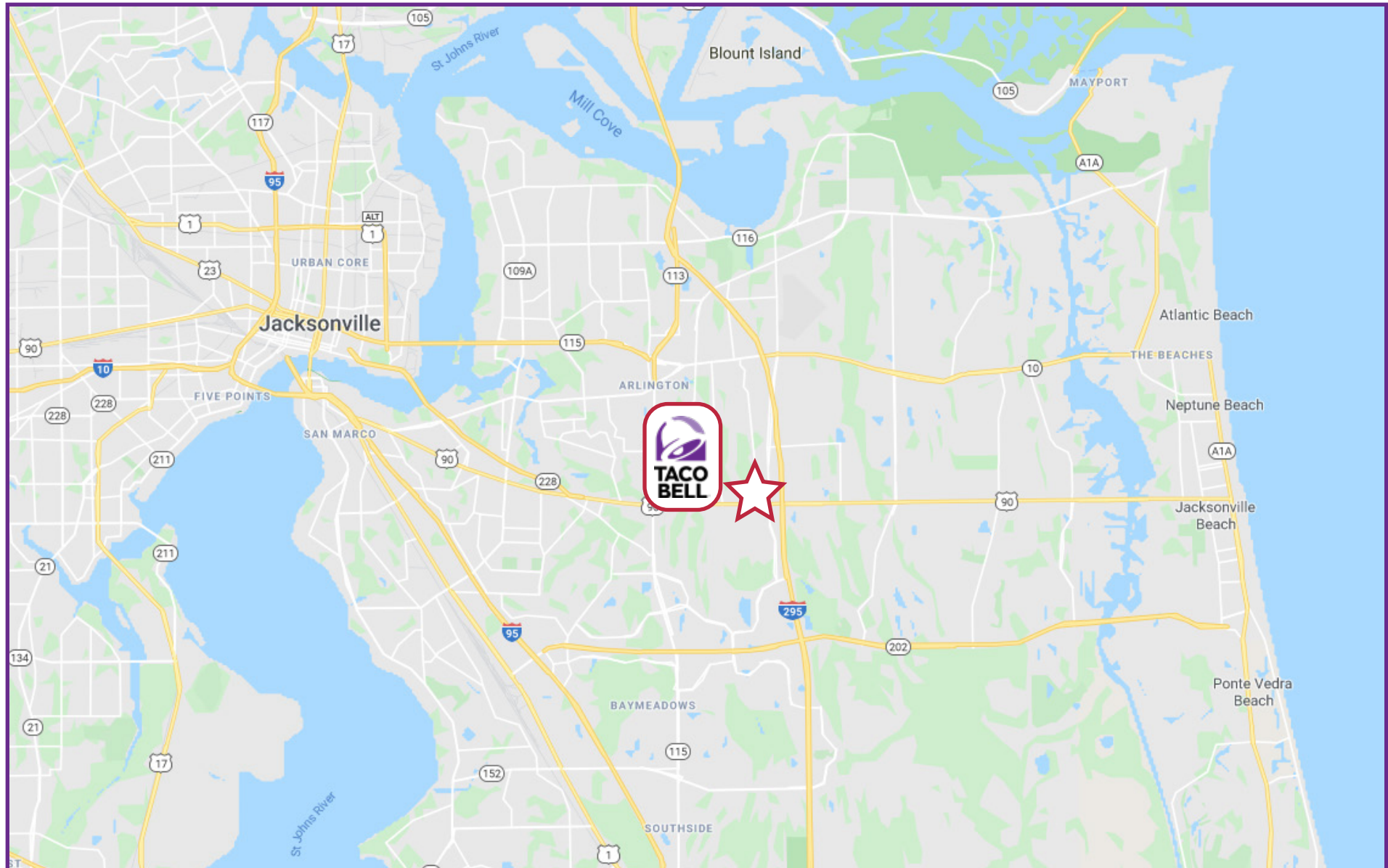
SOUTHEAST QSR RESTAURANT HOLDINGS LLC

This lease is guaranteed by Southeast QSR Restaurant Holdings, LLC, one of the largest Taco Bell franchisee's in the brand's system with over 58 restaurants in Alabama, Florida, Georgia, Mississippi, and South Carolina. Southeast QSR is a subsidiary of Prometheus Restaurant Holdings, which operates over 200 restaurants and is one of the largest restaurant operators across the United States. In addition to Southeast QSR, Prometheus also owns Coastal QSR Holdings, LLC, a Taco Bell franchisee currently operating over 55 units in the state of Florida. In most of their primary markets, both Southeast QSR and Coastal QSR are the dominant Taco Bell franchisee.

Surrounding Tenants



Regional Map



Area Overview

*Scheduled Remodel for Mid-2020
Representative Photo*





JACKSONVILLE, FL

Jacksonville is a large seaport city in the U.S. It is the most populated city in both Florida and the southeastern United States. The Jacksonville metropolitan area is the fourth largest in the state. Two Navy Bases, the Blount Island Command, and the Naval Submarine Base Kings Bay, are the third largest military presence in the U.S. With Jacksonville located at the mouth of the St. Johns River, the Port of Jacksonville is an international trade seaport. Jacksonville has grown into a major city in Florida and is an even blend of business development and tourist sites. The city caters to all types of residents, whether they are looking for a modern downtown scene or want to escape to the suburbs.

ECONOMY

Although, Jacksonville has a sizable deep-water port, the city’s economy does not solely rely on transportation and distribution. The area’s economy strives on a variety of financial services, biomedical technology, insurance, manufacturing, and consumer goods.

The city has done particularly well in the financial services industry. Large banking companies in the region include Florida National Bank, Barnett Bank, Wells Fargo, JPMorgan Chase, and Bank of America. Many Fortune 500 companies have their headquarters in Jacksonville, including Fidelity National Financial, Southeastern Grocers, and CSX Corporation.

The military is the largest employer in Jacksonville, with an economic impact of \$6.1 billion annually. With a military airport, a Navy and Marine Corps base, and Air National/Coast Guard sector, the U.S. forces have a large influence within the town.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	8,623	85,377	238,796
2020 Estimate	7,977	79,116	222,055
Growth: 2020 to 2025	8.10%	7.91%	7.54%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	3,515	33,269	97,615
2020 Estimate	3,269	30,754	90,481
Growth: 2020 to 2025	7.53%	8.18%	7.88%
INCOME	1-MILE	3-MILE	5-MILE
2020 Average Household Income	\$67,137	\$80,434	\$82,229

CULTURE

As for things to do in Jacksonville, the possibilities are endless. From sports to art, to the outdoors, Jacksonville has something to offer everyone that visits. There are many different annual events held in the area. Whether it is an art display or a festival, there is always something happening.

» SPORTS

The Jacksonville Jaguars are a major league sports team in the NFL. They joined the league as an expansion team in 1995. Since then, their fan base has grown immensely and are loved by their dedicated fans in Jacksonville. The Jaguars have been division champions in 1998 and 1999, and have qualified for the playoffs six times.

Since 1946, the annual Gator Bowl is held at EverBank Field on January 1st. It is part of the bowl series within college football. The Bowl is the sixth oldest college bowl and was the first college bowl to be televised nationally. Another college football event is the Florida-Georgia game. Every year the Florida Gators and the Georgia Bulldogs come together to hash out their rivalry.

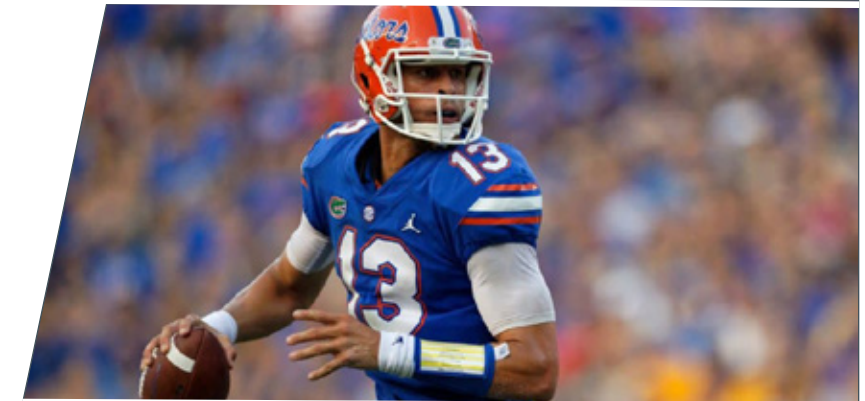
» MUSIC

Jacksonville is also known for their love of music. The Jacksonville Jazz Festive is the second-largest jazz festival in the nation. It is a fun-filled weekend celebrating the creation of Jazz music as well as keeping the genre alive. Another great musical event in the city is the Springing the Blues festival, one of the oldest and largest blues festivals on the Coast. It was first held in 1990 and has been growing larger and larger each year.

» ART

The city offers a variety of museums and art galleries throughout the region. The Museum of Contemporary Art Jacksonville is funded and operated by the University of North Florida. It is a contemporary art museum that is considered a “cultural resource.” The museum, at its most basic form, opened in 1924. Today, the museum features permanent and traveling exhibitions and has over 700 works.

The Museum of Science & History, located in downtown Jacksonville, has many different science and local history exhibits. There are three different floors that feature natural exhibits, an exhibit that shows the history of Northeast Florida, as well as hands-on science area.





Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Taco Bell** located at **11228 Beach Blvd, Jacksonville, FL 32246** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

Scheduled Remodel for Mid-2020
Representative Photo



1 1 2 2 8 Beach Blvd
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TYLER GROTH

ASSOCIATE

DIRECT (310) 844-9370

MOBILE (269) 326-2493

tyler.groth@matthews.com

LIC # 6501390929 (MI)

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