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TACO BELL

2885 Memorial Pkwy NW • Huntsville, AL 35810

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TACO BELL
Huntsville, AL
ACT ID ZAA0011141

Marcus & Millichap

PROPERTY SUMMARY

THE OFFERING	
Property	Taco Bell
Property Address	2885 Memorial Pkwy NW Huntsville, AL 35810
Price	\$1,695,020
Capitalization Rate	6.16%
Price/SF	\$689.03

PROPERTY DESCRIPTION	
Year Built / Renovated	2002
Gross Leasable Area	2,460 SF
Zoning	N/A
Type of Ownership	Fee Simple
Lot Size	1.00 Acre

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Tacala LLC
Rent Increases	1.00% Annually
Guarantor	Franchisee Guarantee
Lease Type	NNN
Lease Commencement	8/16/2005
Lease Expiration	8/15/2025
Lease Term	20
Term Remaining on Lease (Years)	5.7
Renewal Options	One, 10-Year and Two, Five-Year
Landlord Responsibility	None
Tenant Responsibility	Roof and Structure
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$103,460

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$103,460	\$8,622	\$42.06	6.10%
8/2020	\$104,495	\$8,708	\$42.48	6.16%
8/2021	\$105,540	\$8,795	\$42.90	6.23%
8/2022	\$106,595	\$8,883	\$43.33	6.29%
8/2023	\$107,661	\$8,972	\$43.76	6.35%
8/2024	\$108,737	\$9,061	\$44.20	6.42%
8/2025	\$109,825	\$9,152	\$44.64	6.48%



NOTES

- Tenants current annual rent is \$103,460/NNN. Seller shall credit Buyer \$86.00/month from the close of escrow until 8/16/2020 when the 1% annual rent increase is scheduled to occur.

TACALA

COMPANIES

PREMIER FRANCHISE OPERATOR OF TACO BELL®

LIVE
MAS

Tacala LLC originally based in Birmingham, AL is the largest Taco Bell operator in the nation with a total of 280 locations across Southeast United States and Texas. As the largest and longest standing partner of Taco Bell since 1989, Tacala plays a significant role in introducing new concepts and entering into new markets. Today Tacala LLC is owned by private equity firm Altamont Capital Partners.

Tacala LLC	1989	Birmingham, AL	300
Company Name	Year Founded	Headquarters	Locations

"At Tacala, our culture is driven by our Mission and Values. We strongly adhere to our commitment to be the kindest restaurant operating company in the country. To support our Mission, Tacala has developed a close-knit family environment that balances a strong work ethic with opportunities for fun. Recognition is a vital part of Tacala's culture. We believe it's important to celebrate achievements at all levels in our company and let our employees know how much their efforts are appreciated. Tacala believes in both formal and informal recognition and dedicates significant time and funding each year to recognition activities."



TACALA

COMPANIES

PREMIER FRANCHISE OPERATOR OF TACO BELL®

The subject property is an attractive Taco Bell restaurant located on Memorial Parkway NW in Huntsville, Alabama. Huntsville is located 100 miles north of Birmingham, and almost the same distance south of Nashville, Tennessee. The lease guarantor is Tacala, LLC which owns and operates over 280 Taco Bell locations throughout the southeast and Texas. This property serves as a relocation site for Taco Bell, where the tenant moved across the street to obtain better highway visibility. National retail tenants in the area include Long John Silver's, Popeye's, Wendy's, McDonald's, Arby's, Captain D's, etc. The area is further supported by a Walmart SuperCenter, as well as various regional retail tenants.

Tenant is required to report sales which are "above average" and from years 2011 to 2018 there has been over 5% average increase annually.

The gross annual sales of the subject property in 2018 was \$1,712,686 making the Rent-to-Sales ratio 6.04%

Huntsville, the fourth-largest city in Alabama enjoys a population exceeding 197,318. It is located primarily in Madison County in the north central region of the state. It is home to the University of Alabama and the city's main economic influence is derived from aerospace and military technology.

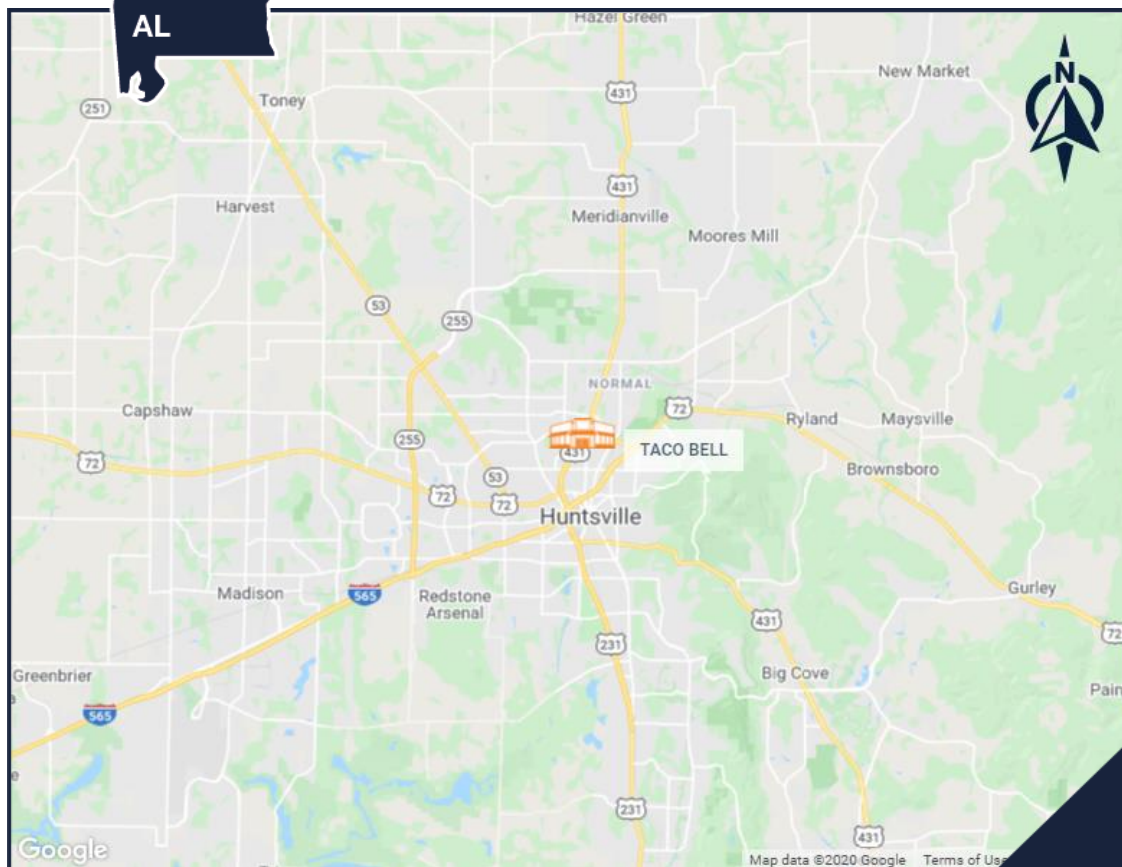
Redstone Arsenal, located in Huntsville is a 38,000 acre campus where approximately 35,000 employees work (1,000 Active Duty Military, 19,500 Government Civilians and 15,000 contractors), Cumming Research Park and NASA Marshall Space Flight Center are located within Redstone Arsenal.

The Average Household Income within a 3-mile radius from the subject property is reported at \$56,360 with a population of 58,414.





2885 Memorial Pkwy NW, Huntsville, AL 35810



- Absolute NNN lease
- Tenant is largest Taco Bell operator
- 1% annual rent increase
- Restaurant sales are above average
- Rent-to-Sales is 6.04%

CLOSE PROXIMITY TO:



Major Highway

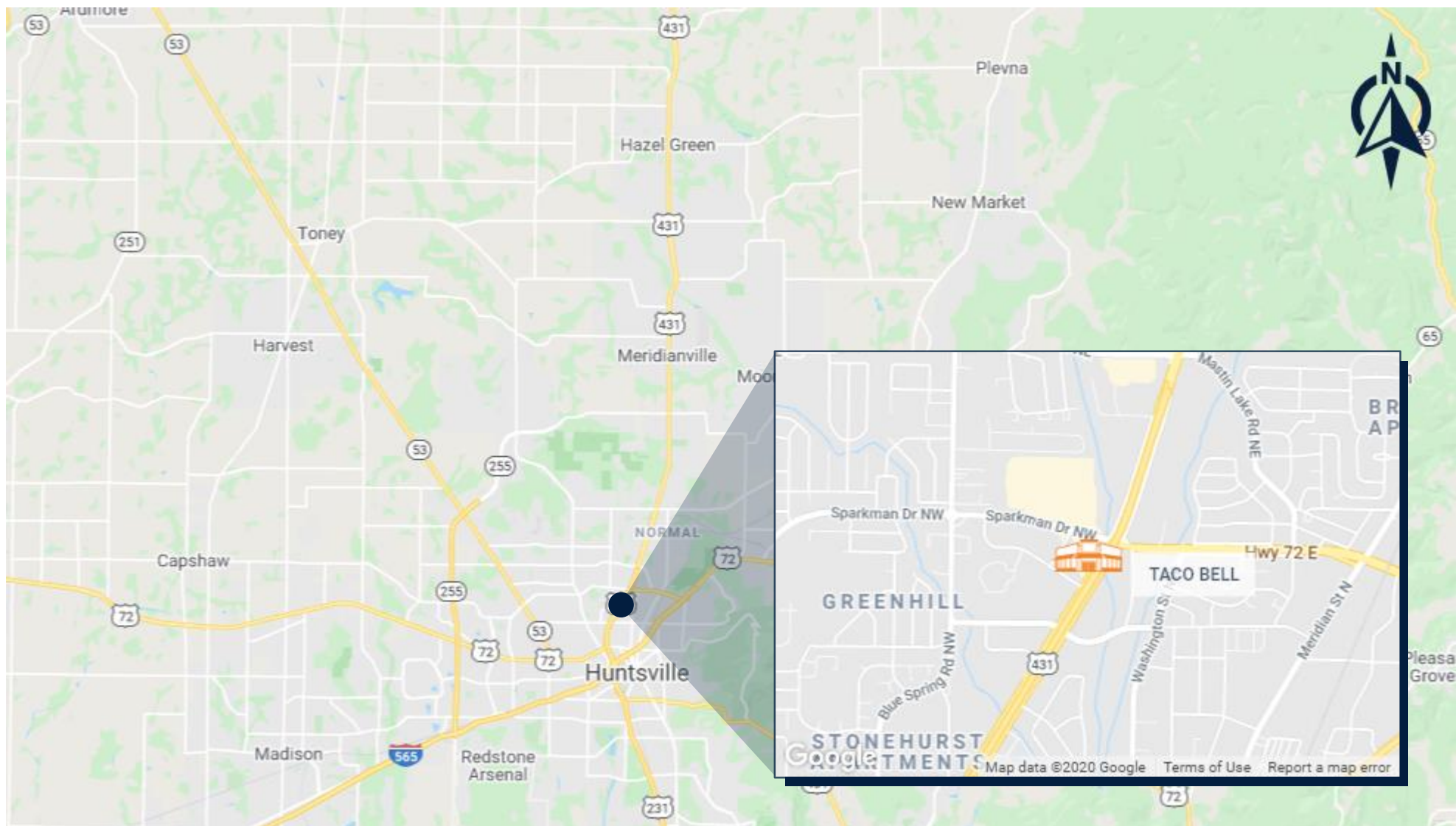


Schools



Hospital

2885 Memorial Pkwy NW, Huntsville, AL 35810









SALES COMPARABLES

TACO BELL

2885 Memorial Pkwy NW, Huntsville, AL, 35810

**SUBJECT PROPERTY**

Asking Price	\$1,695,020
Price/SF	\$689.03
CAP Rate	6.16%
GLA	2,460 SF
Lot Size	1.0 acre(s)
Year Built	2002
Lease Term Remaining	5.7 Years

TACO BELL

6801 N May Avenue, Oklahoma City, OK, 73116



Close Of Escrow	11/12/2019
Sales Price	\$1,195,000
Price/SF	\$425.57
CAP Rate	4.86%
GLA	2,808 SF
Lot Size	0.54 acre(s)
Year Built	2007

NOTES

Approximately 8.5 years remaining on the absolute net franchise guaranteed lease. 10% rent increase every five years.

TACO BELL

1152 Indianapolis Rd, Greencastle, IN, 46135



Close Of Escrow	7/31/2019
Sales Price	\$475,000
Price/SF	\$240.87
CAP Rate	5.59%
GLA	1,972 SF
Lot Size	1.21 acre(s)
Year Built	1991

NOTES

Approximately 2.9 years remaining on the absolute net franchise guaranteed lease. 10% rent increase every five years.

SALES COMPARABLES

IN ESCROW COMPARABLES

TACO BELL

6801 N May Avenue, Oklahoma City, OK, 73116



Close Of Escrow	11/12/2019
Sales Price	\$1,195,000
Price/SF	\$425.57
CAP Rate	4.86%
GLA	2,808 SF
Lot Size	0.54 acre(s)
Year Built	2007

NOTES

Approximately 8.5 years remaining on the absolute net franchise guaranteed lease. 10% rent increase every five years.

TACO BELL

855 South Tamiami Trail, Sarasota, FL, 34236



Close Of Escrow	11/25/2019
Sales Price	\$2,180,000
Price/SF	\$708.02
CAP Rate	6.19%
GLA	3,079 SF
Lot Size	0.55 acre(s)
Year Built	1994

NOTES

Approximately 3.2 years remaining on the absolute net franchise guaranteed lease, 1.75% annual rent increase

WENDY'S

371 Greeno Rd S, Fairhope, AL, 36532



Close Of Escrow	9/20/2019
Sales Price	\$1,350,000
Price/SF	\$449.10
CAP Rate	5.58%
GLA	3,006 SF
Lot Size	0.88 acre(s)
Year Built	2000

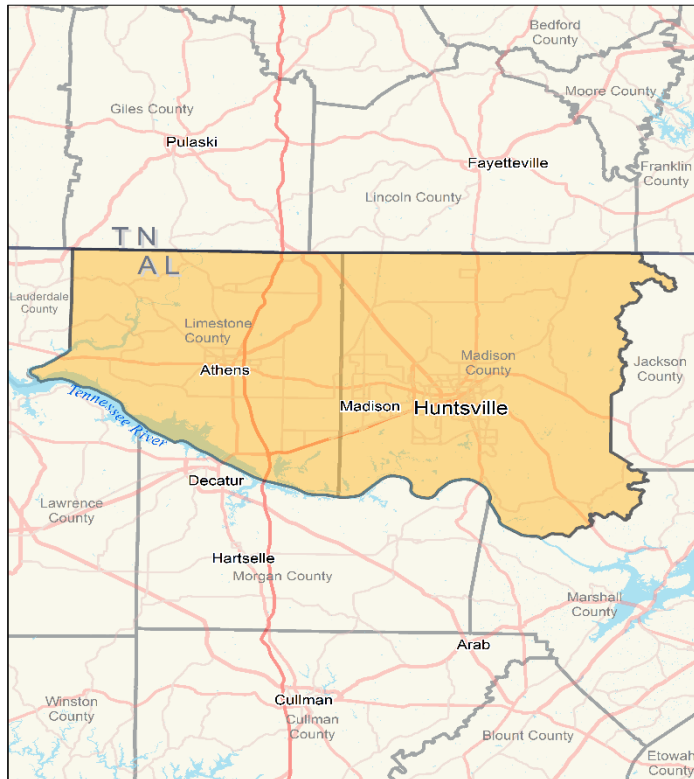
NOTES

Approximately 8.8 years remaining on franchise lease with 10% rent increase every 5 years

HUNTSVILLE

OVERVIEW

Huntsville is located 100 miles north of Birmingham and 110 miles south of Nashville. The metro is known for its notable aerospace and defense industries. Employment in related sectors offers higher-paying salaries, benefiting the area as the cost of living remains below that of many other markets. More affordable costs here allow roughly 70 percent of households to afford to own their home. The Huntsville metro encompasses the counties of Limestone and Madison.



METRO HIGHLIGHTS



U.S. ARMY – REDSTONE ARSENAL

More than 35,000 individuals are employed at this garrison to support the Army's missile programs.



NASA

Marshall Space Flight Center was where the most powerful rocket ever designed was developed, enabling the exploration far into the solar system. It has a workforce of nearly 6,000.



HIGHER EDUCATION

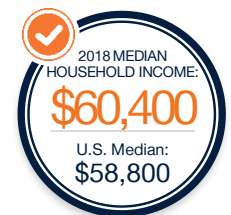
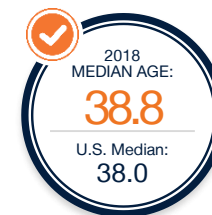
The University of Alabama Huntsville has nearly 10,000 students, with roughly half earning a degree in engineering or science.



ECONOMY

- Government contractors such as Boeing, Northrop Grumman and Lockheed Martin are leading employers, supporting the area's space and defense industry.
- Huntsville has a growing science, technology, engineering and mathematics (STEM) workforce. The median pay for STEM occupations in the area is \$95,000 annually through employers including the Hudson Alpha Institute for Biotechnology and the Redstone Arsenal.
- The area is being reinvented as a tech center and many buildings are being redeveloped to attract new companies and workers to the metro.

DEMOGRAPHICS

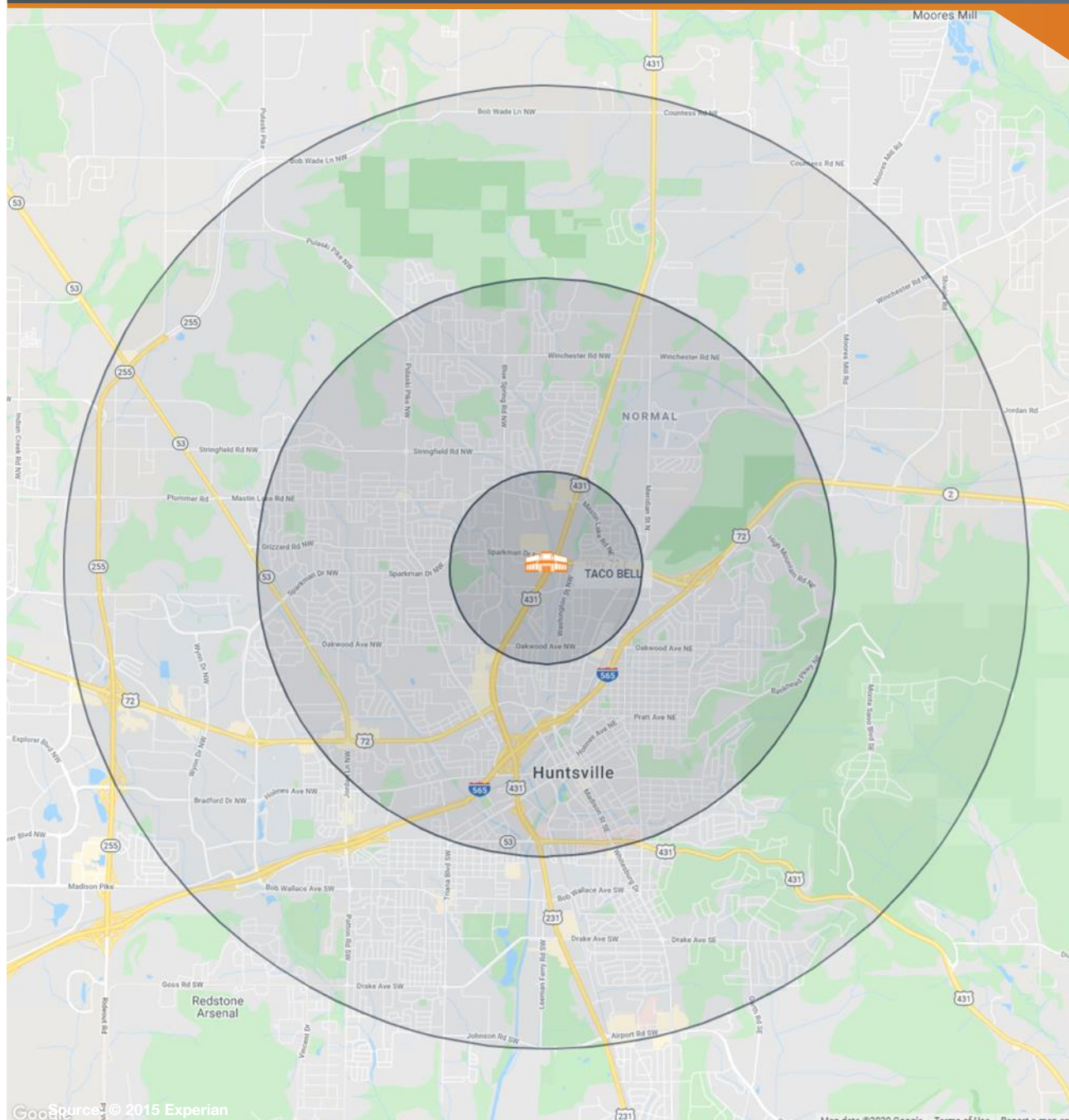


* Forecast

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

MARKET OVERVIEW




CREATED ON JANUARY 23, 2020


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	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	8,143	58,414	105,747
2018 Estimate	8,044	58,453	105,433
2010 Census	7,876	57,771	102,964
2000 Census	7,771	58,777	99,883

INCOME			
Average	\$38,926	\$53,650	\$60,794
Median	\$24,925	\$34,876	\$37,378
Per Capita	\$17,605	\$22,711	\$26,230

HOUSEHOLDS			
2023 Projection	3,406	24,133	44,985
2018 Estimate	3,343	23,919	44,320
2010 Census	3,268	23,554	43,113
2000 Census	3,172	23,971	41,952

HOUSING			
2018	\$88,564	\$99,480	\$121,292

EMPLOYMENT			
2018 Daytime Population	12,514	81,944	156,518
2018 Unemployment	9.90%	7.43%	6.35%
2018 Median Time Traveled	19	19	18

RACE & ETHNICITY			
White	28.26%	36.37%	45.61%
Native American	0.06%	0.07%	0.11%
African American	64.93%	57.12%	45.66%
Asian/Pacific Islander	0.51%	0.85%	1.45%

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Eddie Greenhalgh

Broker of Record