

OFFERING MEMORANDUM



TACO BELL™

CALIMESA
CALIFORNIA

Tenant has occupied the site for 25 years

Marcus & Millichap
NNN DEAL GROUP



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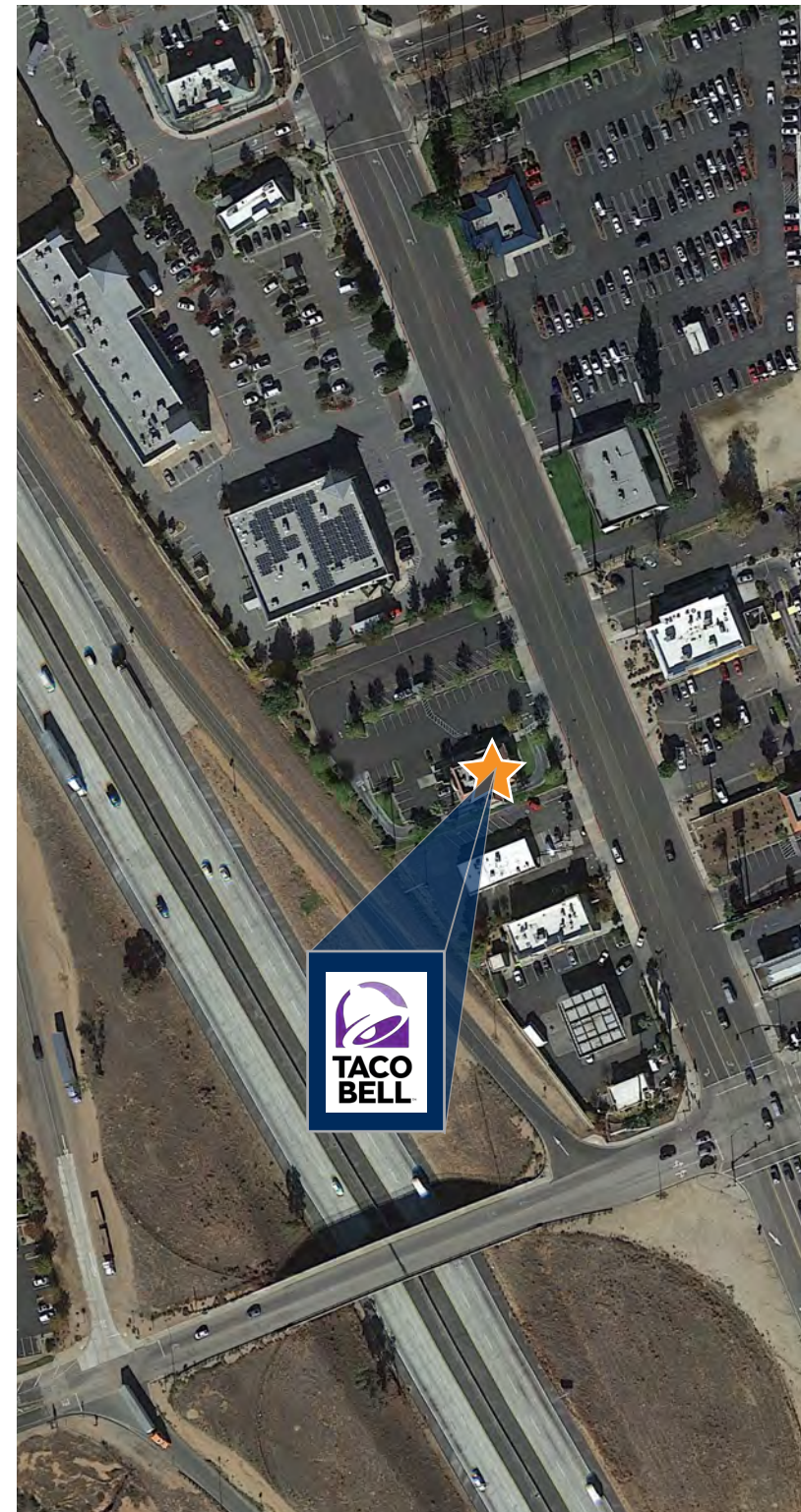
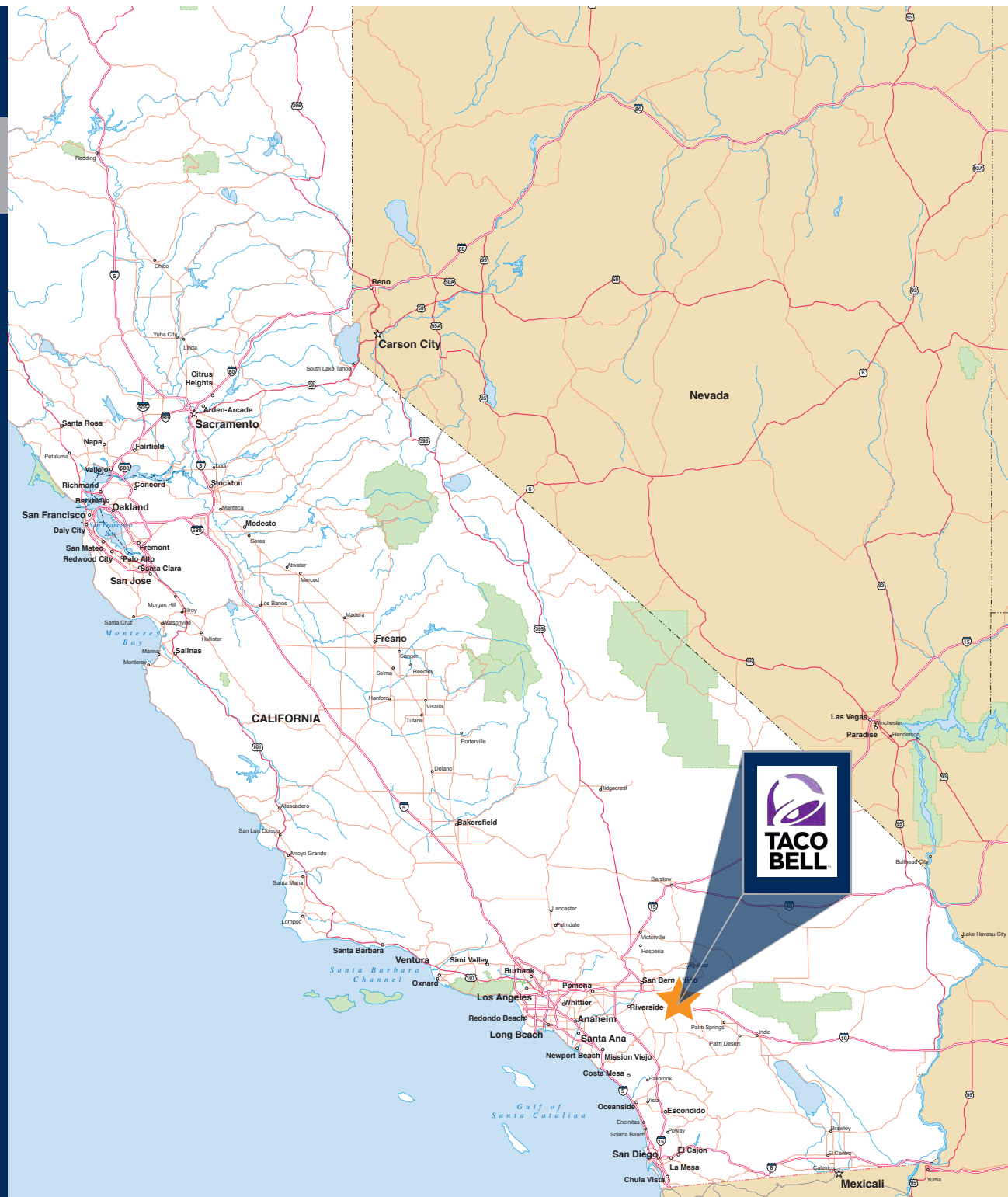


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INVESTMENT SUMMARY

1190 CALIMESA BLVD, CALIMESA, CA 92320

PRICE: \$1,980,000

CAP: 4.25%

RENT: \$84,186

OVERVIEW

| | |
|---------------------------|-------------|
| Price | \$1,980,000 |
| Gross Leasable Area (GLA) | 2,200 SF |
| Lot Size (approx.) | 1.06 Acres |
| Net Operating Income | \$84,186 |
| CAP Rate | 4.25% |
| Year Built/Renovated | 1995/2015 |

ANNUALIZED OPERATING DATA

| Lease Term | Annual Rent |
|----------------------------|-------------|
| 1/1/2020-12/31/2024 | \$84,186 |
| 1/1/2025-12/31/2029 | \$92,604 |
| 1/1/2030-12/31/2034 | \$101,865 |
| Opt 1: 1/1/2035-12/31/2039 | \$112,051 |
| Opt 2: 1/1/2040-12/31/2044 | \$123,256 |

LEASE ABSTRACT

| | |
|---------------------------|------------------|
| Lease Type | NNN Ground Lease |
| Lease Term | 40 Years* |
| Lease Start | 1/1/1995 |
| Lease Extended | 2019 |
| Lease Expiration | 12/31/2034 |
| Renewal Options | 2x5 |
| Increase | 10% every 5-ys |
| Landlord Responsibilities | None at all |

* Original lease commenced in 1/1995 and was modified in 2019, extending the lease to 12/31/2034 (14 yrs remaining on base term)





INVESTMENT HIGHLIGHTS

- ◆ 13+ years remaining on base term of true NNN ground lease with 10% increases every 5 years including options.
- ◆ Tenant has been at this location for 25 years and recently extended their lease an additional 14 years.
- ◆ 13 year franchisee. Do Cook Me Tacos, operates 5-7 units.
- ◆ Visible from the I-10.
- ◆ Current rent payment is well below market rent.
- ◆ Surrounded by over 80,000 permanent residents in a 5-mile radius.
- ◆ Strong retail corridor serving as feeder to surrounding residential community.
- ◆ Ideally positioned with commercial frontage along the I-10 (95,000 VPD), one of the busiest thoroughfares in Riverside County.



82,675

TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$87,758

AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS



9,130 VPD - CALIMESA BLVD
6,130 VPD - I-10

Marcus & Millichap
NNN DEAL GROUP







Calimesa Fire Station

Calimesa City Hall



Handi Storage



Believe Athletics

Retrovolt Arcade



McDonald's

Calimesa Inn Motel



Americas Best Value Inn Calimesa



Mesa View Middle School



CALIMESA BLVD - 9,130 VPD

OFF RAMP

I-10 - 6,130 VPD



LIQUOR



FINE CIG

DO NOT
ENTER



TENANT SUMMARY

TACO BELL

Taco Bell is a southern California, (HQ: Irvine, CA) based quick service restaurant chain that specializes in Mexican-style cuisine. It is a subsidiary of YUM! Brands, Inc., which is the largest restaurant chain in the world. They enjoy the largest share of Mexican-style restaurants in the United States (franchise sales are \$5.7 billion). Over 35(mil) patrons, visit Taco Bell each week and over 80 percent of its 6,500 locations are franchised.

Glen Bell opened first restaurant in Downey, CA in 1962. The chain now employs 210,000 +/-employees nationwide. On 3/15/18, Taco Bell announced that all employees are eligible for classes at 80 online universities. They also provide tuition assistance and college credit for job training at the restaurant. There are over 7,000 restaurants across the US and 400+/- units in 27 countries outside the US including Restaurants in Canada, Guam, Aruba, Dominican Republic, Chile, Costa Rica, Guatemala, Puerto Rico, Ecuador, Hawaii, Asia, and Europe.

Taco Bell plans to grow to 8000 units by 2022 which would increase its franchise footprint to \$10 billion to \$15 billion by 2022.

“Taco Bell truly is a Category of One. The team delivered another solid year of operating results driven by innovative new products and unparalleled value. I am particularly excited about the new products and unique and compelling marketing calendar the team has planned for 2018. Internationally, Taco Bell continues to build momentum as we entered five new countries and ended the year with over 400 Taco Bell restaurants outside the U.S.” (Greg Creed CEO YUM! Brands Annual Report 2018).

TACO BELL



IRVINE, CA

HEADQUARTERS

210,000

EMPLOYEES

7,000

LOCATIONS

PUBLIC

OWNERSHIP

YUM

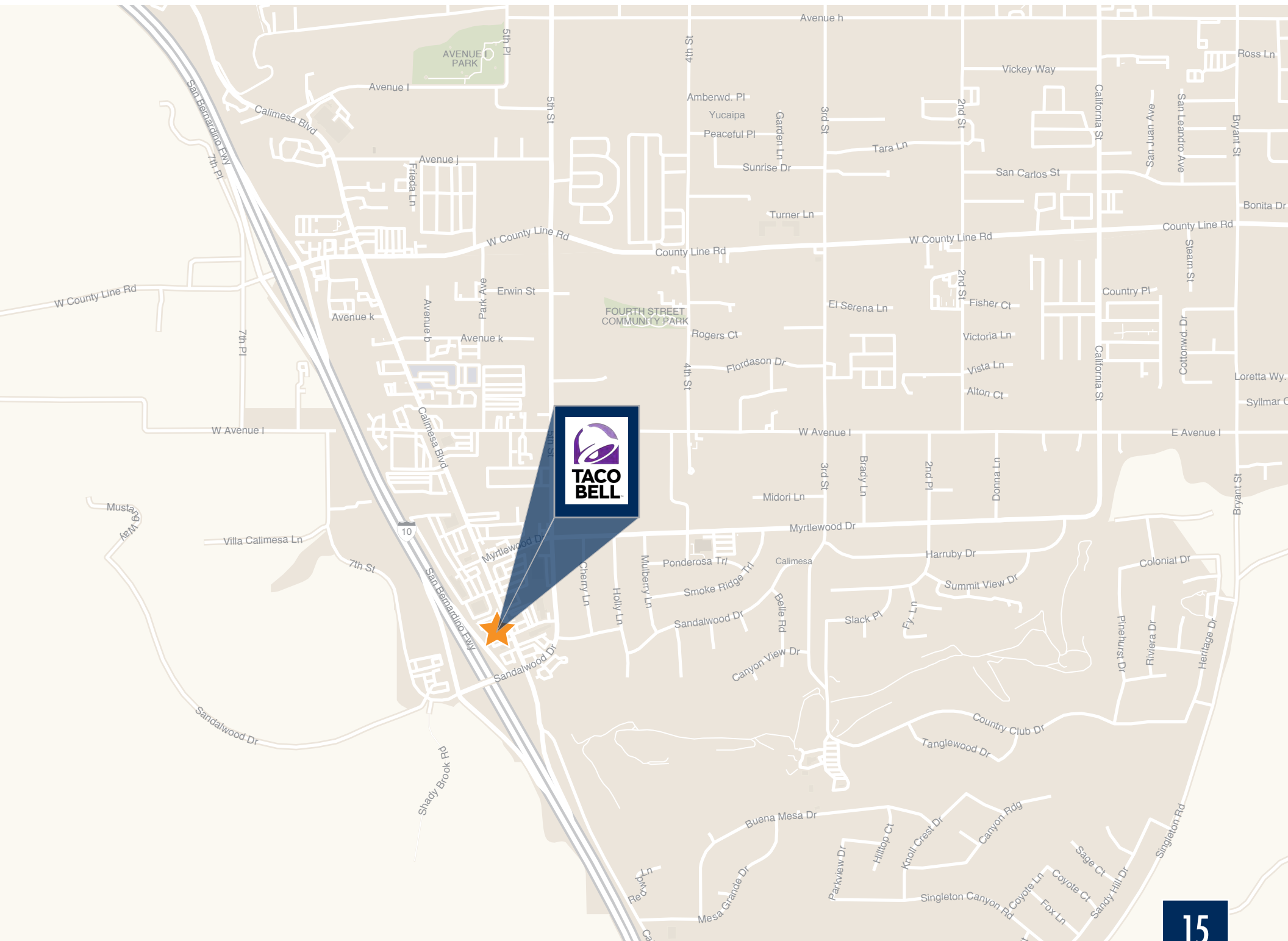
TICKER: NYSE



SITE PLAN









LOCATION OVERVIEW

CALIMESA, CALIFORNIA

Calimesa is a city in Riverside County, California. It is located in the foothills of the San Bernardino Mountains in the north-west region of Riverside County. Interstate 10 gives the city easy access to surrounding desert communities, Arizona to the east, and the Los Angeles Metropolitan area to the west. Calimesa is 15 square miles but has significant trade area within a 3 and 5 radius of the city. The city is known for its beautiful natural settings and well-kept wildlife preserves.

The city's small-town feel with access to major surrounding cities make it the perfect place for families to enjoy. Within the city, the Cienega Canyon Preserve is one of the most popular natural reserves to visit. It is 358-acres and is located in the southeastern portion of San Timoteo Canyon. In Riverside County, just outside of Calimesa, there are various famous tourist attraction such as the Palm Springs Aerial Tramway and the Living Desert Zoo and Gardens.

Palm Springs within Riverside County attracts nearly 1,000,000 tourists each year. Riverside County is the fourth largest county in California by population and continues to grow in numbers. Calimesa is also around 7 miles away from the University of Redlands, a 160-acre private university in Redlands. The university is ranked in the top 10% of regional universities in the West, according to the *U.S. News and Worlds Report*. The University of Redlands offers 50 programs of study and has over 4,700 students.

Calimesa has been expanding the local economy with growing revenues, low unemployment rates and a robust housing market. This has created a superior quality of life and increasing economic opportunities. For example, the median home value in Calimesa went up over 10.3% this past year and is expected to grow an additional 6.5% over the next year.

Cabazon Premium Desert Hills Outlet is located just 17 miles to the east, and is a direct line from the subject site along Hwy 10. They offer over 183 open air stores, and draw tourist and shoppers from all over the California and Arizona southland.





MAJOR EMPLOYERS CALIMESA, CA

| | |
|----------------------------------|-------|
| Casino Morongo | 1,900 |
| Desert Hills Premium Outlets | 1,700 |
| Beaumont Unified School District | 639 |
| Banning Unified School District | 511 |
| San Geronio Memorial Hospital | 250 |
| Green Thumb Produce, Inc. | 250 |
| City of Banning | 200 |
| City of Beaumont | 146 |
| Skat-Trak, Inc. | 115 |
| Priority Pallet | 100 |

LOCATION HIGHLIGHTS

CALIMESA, CALIFORNIA KNOWN AS "CALIFORNIA'S TABLE"



Located only 17 miles from the world famous Cabazon Outlets (183 stores), the region's second largest employer



Located directly off the I-10, strong visibility for multiple points of ingress / egress



Morongo Casino (the areas largest employer) is only 17 miles to the east of the site



Surrounded by the regions commuter retail oriented hub



Nestled in heart of suburban infill with dense population and barriers to entry

SAN BERNARDINO MOUNTAIN RANGE

The Villas
(55+ community)

DOLLAR GENERAL

Handi
Storage

AutoZone

Believe
Athletics

Retrovolt
Arcade

STATER BROS.
markets

CHASE

McDonald's

Calimesa Inn
Motel



CALIMESA BLVD - 9,130 VPD

Carl's Jr.



SUBWAY

Denny's

Walgreens



am
pm

ARCO

I-10 - 6,130 VPD

DEMOGRAPHICS / CALIMESA, CA

 **82,675**

Total Population Within 5-Mile Radius



\$87,758

Average Household Income
Within 5-Mile Radius



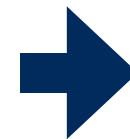
\$64,271

Median Household Income
Within 5-Mile Radius



30,245

Total Households in 5-Mile Radius



57.5%

From 2000





| POPULATION | 1 MILE | 3 MILES | 5 MILES |
|---------------------|--------|---------|---------|
| 2024 Projection | 5,861 | 45,998 | 82,675 |
| 2019A Estimate | 5,482 | 44,074 | 79,697 |
| Growth 2019A - 2024 | 6.92% | 4.37% | 3.74% |
| 2000 Census | 4,476 | 31,623 | 50,807 |
| 2010 Census | 4,761 | 40,336 | 73,943 |
| Growth 2000 - 2010 | 6.37% | 27.55% | 45.54% |

| HOUSEHOLDS | 1 MILES | 3 MILES | 5 MILES |
|---------------------|---------|---------|---------|
| 2024 Projections | 2,410 | 17,050 | 30,245 |
| 2019A Estimate | 2,233 | 16,363 | 29,248 |
| Growth 2019A - 2024 | 7.92% | 4.20% | 3.41% |
| 2000 Census | 1,822 | 12,010 | 19,192 |
| 2010 Census | 1,888 | 14,754 | 26,747 |
| Growth 2000 - 2010 | 3.65% | 22.85% | 39.37% |

| HOUSEHOLDS BY INCOME (2019A Est.) | 1 MILES | 3 MILES | 5 MILES |
|-------------------------------------|----------|----------|----------|
| \$200,000 or More | 3.59% | 4.00% | 5.74% |
| \$150,000 - \$199,999 | 5.46% | 5.62% | 6.81% |
| \$100,000 - \$149,999 | 13.47% | 14.61% | 17.03% |
| \$75,000 - \$99,999 | 14.12% | 12.79% | 13.46% |
| \$50,000 - \$74,999 | 17.01% | 17.75% | 17.24% |
| \$35,000 - \$49,999 | 12.68% | 11.78% | 10.92% |
| \$25,000 - \$34,999 | 7.94% | 10.50% | 9.36% |
| \$15,000 - \$24,999 | 11.21% | 9.80% | 8.87% |
| \$10,000 - \$14,999 | 7.37% | 7.12% | 5.48% |
| Under \$9,999 | 7.14% | 6.04% | 5.08% |
| 2019A Est. Average Household Income | \$71,872 | \$75,075 | \$87,758 |
| 2019A Est. Median Household Income | \$54,834 | \$56,151 | \$64,271 |
| 2019A Est. Per Capita Income | \$29,406 | \$28,029 | \$32,339 |

| POPULATION PROFILE | 1 MILES | 3 MILES | 5 MILES |
|--|---------|---------|---------|
| 2019A Estimated Population by Age | 5,482 | 44,074 | 79,697 |
| Under 4 | 6.0% | 6.4% | 6.2% |
| 5 to 14 Years | 11.6% | 12.6% | 12.8% |
| 15 to 17 Years | 3.7% | 4.0% | 4.0% |
| 18 to 19 Years | 2.6% | 2.4% | 2.4% |
| 20 to 24 Years | 6.4% | 6.0% | 5.7% |
| 25 to 29 Years | 7.6% | 6.7% | 6.1% |
| 30 to 34 Years | 6.2% | 6.5% | 6.1% |
| 35 to 39 Years | 5.2% | 6.1% | 6.2% |
| 40 to 49 Years | 11.6% | 11.6% | 11.9% |
| 50 to 59 Years | 16.5% | 14.2% | 14.2% |
| 60 to 64 Years | 6.0% | 6.2% | 6.6% |
| 65 to 69 Years | 4.6% | 5.1% | 5.6% |
| 70 to 74 Years | 3.9% | 4.2% | 4.5% |
| Age 75+ | 8.1% | 7.9% | 7.7% |
| 2019A Median Age | 40.7 | 39.5 | 40.4 |
| 2019A Population 25 + by Education Level | 3,823 | 30,245 | 54,924 |
| Elementary (0-8) | 3.66% | 3.73% | 3.16% |
| Some High School (9-11) | 9.23% | 9.08% | 7.58% |
| High School Graduate (12) | 29.18% | 28.53% | 26.13% |
| Some College (13-15) | 28.91% | 27.47% | 27.82% |
| Associates Degree Only | 13.71% | 10.83% | 10.30% |
| Bachelors Degree Only | 9.71% | 12.01% | 14.48% |
| Graduate Degree | 5.12% | 7.40% | 9.50% |



TACO BELL™

**CALIMESA
CALIFORNIA**

Lior Regenstreif

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