



TACO BELL

MONTGOMERY, ALABAMA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



\$2,397,000 | 5.35% CAP RATE

- » 17-Year Absolute NNN Lease with 1% Annual Rental Increases
- » No Landlord Management
- » Operated by Taco Bell's Largest Franchisee (350+ Units)
- » High-Traffic Location in Dense Retail Corridor
 - » 43,050 AADT Along West South Boulevard
 - » Less than One Mile from Interstate 65 (64,230 AADT)
 - » Within Walking Distance of Four Hotels
- » Central Location Near Large Schools and Employers
 - » Minutes Away from Alabama State University (5,400+ Students), Jefferson Davis High School (1,800+ Students), and Carver Senior High School (1,200+ Students)
 - » Five Miles from Montgomery Regional Airport
- » Features Dedicated Drive-Thru

FILE PHOTO



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Alabama-licensed real estate broker Capital Growth Real Estate, LLC.

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

LEAD BROKERS

MICHAEL T. YURAS, CCIM
Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

SCOTT CROWLE
Managing Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

VINCENT AICALE
Executive Director
415.690.5522
vince.aicale@cushwake.com
CA RE License #01728696

RYAN FORSYTH
Executive Director
415.413.3005
ryan.forsyth@cushwake.com
CA RE License #01716551

**YURAS
AICALE
FORSYTH
CROWLE** | Leased Investment Team
www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	921 West South Boulevard, Montgomery, Alabama	
PRICE	\$2,397,000	
CAP RATE	5.35% return	
NOI	\$128,200	
TERM	17 years	
RENT COMMENCEMENT	September 17, 2019	
LEASE EXPIRATION	April 15, 2036	
RENTAL INCREASES	1% annual rental increases	
	YEAR	RENT
	1-17	1% annual rental increases
	18-22 (Option 1)	1% annual rental increases
	23-27 (Option 2)	1% annual rental increases
	28-32 (Option 3)	1% annual rental increases
	33-37 (Option 4)	1% annual rental increases
	38-42 (Option 5)	1% annual rental increases
	43-47 (Option 6)	1% annual rental increases
YEAR REMODELED	2015	
BUILDING SF	1,873 SF	
PARCEL SIZE	0.72 acre (31,363 SF)	
LEASE TYPE	Absolute NNN, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot	

LONG-TERM ABSOLUTE NNN LEASE

- » 17-year absolute NNN lease with no landlord management, providing an ideal investment for an out-of-area investor
- » Operated by Taco Bell's largest franchisee, with over 350 units
- » Rare annual rental increases, providing an excellent hedge against inflation

HIGH-TRAFFIC LOCATION IN A DENSE RETAIL CORRIDOR

- » Excellent visibility and access to 43,050 vehicles per day directly in front of the property on West South Boulevard
- » Less than one mile away from Interstate 65, Montgomery's main north-south thoroughfare traveled by 70,000+ motorists per day
- » Near several national restaurant chains such as McDonalds, Burger King, Arby's, Wendy's, and more
- » Within walking distance of four hotels
- » Minutes away from Baptist Medical Center East (176 beds), which was named one of the nation's 100 Top Hospitals by *Thomson Reuters* and generated \$530,687,823 in total patient revenue in 2018

CENTRAL LOCATION NEAR COMMUNITY ATTRACTIONS

- » Located near several community hubs and attractions, including Montgomery Country Club, Oak Park, The National Memorial for Peace and Justice, and the Boys and Girls Club of Montgomery
- » Walking distance from Gateway Golf Course—a 9-hole, par 72 course and driving range
- » Minutes away from Alabama State University (5,400+ students), Jefferson Davis High School (1,800+ students), Carver Senior High School (1,200+ students), Bellingrath Junior High School (500+ students), and Fitzpatrick Elementary School (500+ students)
- » Just off Interstate 65's West South Boulevard freeway entry and exit that leads to and from Downtown Montgomery
- » Located between Montgomery Regional Airport (338,920 passengers in 2018) and Downtown Montgomery



FILE PHOTO



MAXWELL AFB
(5 miles)

DOWNTOWN
MONTGOMERY
(5 miles)

Carver Elementary and
Arts Magnet School
(458 students)

Carver Senior
High School
(1,216 students)

Interstate 65
(70,160 AADT)

GATEWAY GOLF CLUB

POPEYES
+ LOUISIANA KITCHEN +



FUTURE DEVELOPMENT

South Boulevard
(43,050 AADT)

THE WOODS
RV PARK





Walgreens

Walmart
Supercenter

BAPTIST
Medical Center
South
(389 beds and 4,300 employees)

Capital Plaza Shopping Center

DOLLAR GENERAL POPEYES BURGER KING
LOUISIANA KITCHEN

CVS
pharmacy

DOLLAR
GENERAL

South Boulevard
(43,050 AADT)

FAMILY DOLLAR
my family, my family dollar.

FUTURE
DEVELOPMENT

KFC

TACO BELL

Pizza
Hut

BURGER
KING

McDonald's

CAPTAIN D'S
SEAFOOD KITCHEN

POPEYES
LOUISIANA KITCHEN

THE WOODS
RV PARK



INDUSTRIAL REGION

HYUNDAI GLOVIS
(832 employees)

HYUNDAI
(3,100 employees)

65 / Interstate 65
(70,160 AADT)



THE WOODS
RV PARK

POPEYES
+ LOUISIANA KITCHEN +



**WAFFLE
HOUSE**

South Boulevard
(43,050 AADT)



TA
TravelCenters
of America



MAXWELL AFB
(5 miles)

INDUSTRIAL REGION

Carver Elementary and
Arts Magnet School
(458 students)



Trenholm State
COMMUNITY COLLEGE
(1,758 students and 340 employees)



U-HAUL

 / Interstate 65
(70,160 AADT)



**WAFLE
HOUSE**



TA
TravelCenters
of America

GATEWAY GOLF CLUB



POPEYES
+ LOUISIANA KITCHEN +



McDonald's



Pizza Hut



FAMILY DOLLAR
my family, my family dollar.

FUTURE
DEVELOPMENT

THE WOODS
RV PARK

South Boulevard
(43,050 AADT)



Arby's



CAPTAIN D'S
SEAFOOD RESTAURANT



BURGER KING



TACO BELL



KFC



MONTGOMERY REGIONAL AIRPORT
(5 miles)

INDUSTRIAL REGION

INDUSTRIAL REGION

INDUSTRIAL REGION

Southlawn
Elementary School
(289 students)

Southlawn
Middle School
(545 students)



65 / Interstate 65
(70,160 AADT)



THE WOODS
RV PARK



West South Boulevard
(43,050 AADT)



SITE PLAN



TENANT SUMMARY



Taco Bell Corp.—a subsidiary of the world’s largest restaurant company, Yum! Brands, Inc. (NYSE: “YUM”)—is the nation’s leading Mexican-inspired quick service restaurant (QSR) brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos, burritos, and other craveable choices. Taco Bell proudly serves over two billion customers each year in over 7,000 restaurants across the nation, as well as through its mobile, desktop, and delivery ordering services. Overseas, Taco Bell has over 500 restaurants, with plans to become a \$15B company in global system sales with 9,000 restaurants globally by 2022. In 2016, Taco Bell was named as one of Fast Company’s Top 10 Most Innovative Companies in the World. In a 2018 Harris Poll consisting of more than 77,000 people, Taco Bell was voted as America’s favorite Mexican Restaurant.

A Fortune 500 corporation, Yum! Brands, Inc. operates the licensed brands Taco Bell, KFC, and Pizza Hut worldwide, with over 48,000 restaurants in more than 145 countries and territories.

The franchisee for the subject property is Tacala, LLC, one of the largest Taco Bell franchisees, operating over 350 restaurants across the Southeast United States and Texas. Tacala is owned by Altamont Capital Partners, a private equity firm with over \$2.5 billion of capital under management.

For more information, please visit www.tacobell.com and www.tacala.com.

OWNERSHIP	Yum! Brands, Inc.	LOCATIONS	7,072
REVENUE	\$1.98B	HEADQUARTERS	Irvine, CA

LEASE ABSTRACT

TENANT	Tacala, LLC	
ADDRESS	921 West South Boulevard, Montgomery, Alabama	
RENT COMMENCEMENT	September 17, 2019	
LEASE EXPIRATION	April 15, 2036	
RENEWAL OPTIONS	Six (6) five (5) year options	
RENTAL INCREASES	YEAR 1-17 18-22 (Option 1) 23-27 (Option 2) 28-32 (Option 3) 33-37 (Option 4) 38-42 (Option 5) 43-47 (Option 6)	RENT 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases 1% annual rental increases
REAL ESTATE TAXES	Tenant is responsible for all taxes.	
INSURANCE	Tenant is responsible for all insurance.	
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance and repair, including roof, structure, and parking lot.	
MAINTENANCE BY LANDLORD	None	
RIGHT OF FIRST REFUSAL	None	

PROPERTY OVERVIEW

LOCATION

The property is conveniently located and easily accessible from West South Boulevard, a heavily trafficked roadway that provides a major economic and retail corridor for Montgomery, with excellent visibility and access to 43,050 vehicles per day directly in front of the location. The site benefits from its proximity to Interstate 65; 70,000+ additional motorists have view of the property daily. Visibility and traffic is buoyed by an array of surrounding national restaurant chains, including McDonald's, Burger King, Arby's, Waffle House, Hardee's, Wendy's, Dairy Queen, and Subway, all located within a five-mile radius of the property. Due to its major transit hub locale, the property is within waking distance of four different hotels. The location is also minutes away from Baptist Medical Center East (176 beds), which was named one of the nation's 100 Top Hospitals by Thomson Reuters and generated \$530,687,823 in total patient revenue in 2018.

The property benefits from the immediate adjacency of surrounding schools and educational institutions such as Alabama State University (5,400+ students), Jefferson Davis High School (1,800+ students), Carver Senior High School (1,200+ students), Bellingrath Junior High School (500+ students), and Fitzpatrick Elementary School (500+ students). The property is the only one of its kind with easy access to multiple community centers and attractions, including Gateway Golf Course, Montgomery Country Club, the Boys and Girls Club of Montgomery, Oak Park, and the National Memorial for Peace and Justice. Additionally, the property is located at the confluence of five major Montgomery roadways (U.S. Highway 231, U.S. Highway 31, U.S. Highway 80, U.S. Highway 331, and Interstate 65), and also resides five miles away from Montgomery Regional Airport, which serviced 338,920 passengers in 2018.

ACCESS

Access from West South Boulevard

TRAFFIC COUNTS

West South Boulevard: 43,050 AADT
Interstate 65: 70,160 AADT

PARKING

37 parking stalls, including two (2) handicap stalls

YEAR REMODELED

2015

NEAREST AIRPORT

Montgomery Regional Airport (MGM)



FILE PHOTO



39
PARKING
STALLS



2015
YEAR REMODELED



64K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
MONTGOMERY
REGIONAL
AIRPORT

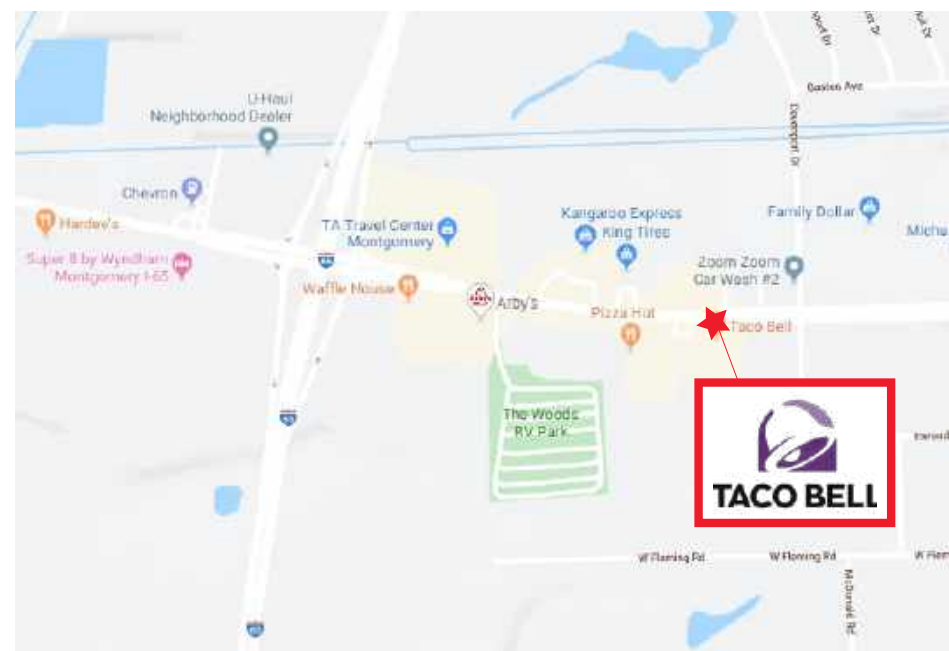
AREA OVERVIEW

Montgomery is the capital city of Alabama and the county seat of Montgomery County. Located in the south central portion of Alabama, Montgomery is the primary city of the Montgomery Metropolitan Statistical Area, and its 225,763 residents make it the second most populous city in Alabama. Much of Montgomery's regional recreation and tourism is water-based, as it stands beside the Alabama River, on the coastal Plain of the Gulf of Mexico. In addition to housing many Alabama government agencies, Montgomery has a large military presence, due to Maxwell-Gunter Air Force Base, which employs 12,000+ personnel and has an annual impact of \$2.6B on the Montgomery local economy. The base is the headquarters of Air University (AU), a major component of Air Education and Training Command (AETC), and is the U.S. Air Force's center for Joint Professional Military Education (PME).

Located centrally between the intersection of Interstate 65 and Interstate 85, Montgomery is 90 miles south of Birmingham and only two hours from Atlanta. Montgomery is nationally known for its many historic/cultural landmarks such as the Alabama State Capitol, Dexter Avenue King Memorial Church, Hank Williams Memorial, Alabama War Memorial, and Alabama Shakespeare Theater. The city also attracted the first electric street car system in the United States. Named by the New York Times as a "Top Destination in 2018", Montgomery continues its robust economic growth with \$1.5M in daily visitor spending. Montgomery also leads all Alabama metro cities in hotel occupancy for the fourth year in a row. In 2004, Montgomery secured one of the largest economic development projects in the United States when Hyundai Motors Manufacturing Alabama built its \$1.4 billion automotive plant. The Montgomery location became the first assembly and manufacturing plant in the United States. It employs over 3,000 team members and currently produces the next generation Sonata sedan and Santa Fe sport utility vehicle. On an annualized basis, The Hyundai plant in Montgomery has a \$4.8B impact on the local economy.

- » Montgomery is home to several public schools: thirty-six elementary, twelve junior/middle, and eight high schools. Additionally, Montgomery has a total of thirty-seven private schools.
- » In 2004, Montgomery acquired a minor league baseball team called the Montgomery Biscuits, serving as a Class AA affiliate of the Tampa Bay Rays. The team plays in a newly renovated 7,000-seat facility known as Riverwalk Stadium that is owned by the City of Montgomery.
- » Montgomery's manufacturing and production is greatly aided by the fact that Alabama is the only state with all major natural resources needed to make iron and steel.
- » USA Today readers recently ranked Montgomery as the "Best Historic City in the USA", beating out Annapolis, Maryland; Williamsburg, Virginia; and New Orleans to take the title.

MAJOR EMPLOYERS IN MONTGOMERY, AL	# OF EMPLOYEES
MAXWELL GUNTER AIR FORCE BASE	12,280
STATE OF ALABAMA	11,639
MONTGOMERY PUBLIC SCHOOLS	4,524
BAPTIST HEALTH	4,300
HYUNDAI MOTOR MANUFACTURING ALABAMA	3,100
ALFA INSURANCE COMPANIES	2,568
CITY OF MONTGOMERY	2,500
MOBIS ALABAMA	1,400
JACKSON HOSPITAL & CLINIC.	1,300
KOCH FOODS	1,250



DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	3,463	37,496	84,814
Households	1,299	14,713	32,169
Families	881	9,211	19,842
Average Household Size	2.66	2.50	2.50
Owner Occupied Housing Units	817	8,101	17,350
Renter Occupied Housing Units	483	6,612	14,819
Median Age	42.6	37.5	35.7
Average Household Income	\$37,779	\$46,580	\$55,434
2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	3,371	36,738	84,253
Households	1,270	14,435	31,978
Families	854	8,957	19,516
Average Household Size	2.65	2.50	2.49
Owner Occupied Housing Units	816	8,151	17,586
Renter Occupied Housing Units	454	6,284	14,392
Median Age	44.2	38.6	36.7
Average Household Income	\$42,815	\$52,772	\$62,089



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AICALE
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CROWLE**

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LEAD BROKERS

MICHAEL T. YURAS, CCIM

Executive Managing Director

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

SCOTT CROWLE

Managing Director

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

VINCENT AICALE

Executive Director

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

RYAN FORSYTH

Executive Director

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

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