



DEL TACO

108 SOUTH BEELINE HIGHWAY, PAYSON, ARIZONA 85541

Marcus & Millichap



LOCATED IN THE HEART OF TONTO NATIONAL FOREST / 5.9+ MILLION ANNUAL VISITORS

✓ OPERATED BY DEL TACO'S LARGEST FRANCHISEE (56-Units)

✓ SALE-LEASEBACK

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INVESTMENT HIGHLIGHTS



20-YEAR SALE-LEASEBACK WITH DEL TACO'S LARGEST FRANCHISEE NATION-WIDE (56-UNITS / 30-UNIT GUARANTY)

- Absolute-Net Lease with 10% Increases Every 5-Years Including the Four, 5-Year Option. Tenant has One Options to Terminate in Year-5

- Large 2,505 Square Foot Building Built in 2001, Remodeled in 2015, and is Situated on a 34,412 Square Foot Lot with Extra Real Estate to Build

- Frontage & Access from South Beeline Highway (31,000+ Vehicles Per Day) with Drive-Thru and 15 Parking Spaces

LOCATED IN THE HEART OF TONTO NATIONAL FOREST WHICH HOST OVER 5.9 MILLION VISITORS ANNUALLY

- Surrounded by National Retailers Including: Walmart Super Center, Bashas', Big Lots, Safeway, Arby's, McDonald's, Pizza Hut, Taco Bell, Subway, Starbucks, Burger King, Wells Fargo, Chase, Jimmy John's, Big 5 Sports, AutoZone and more

- Located 1/2-Mile from Payson High School (1,394-Students) & Rim Country Middle School (517-Students)

- Short Walking Distance from Tonto Oak Apartments (44-Units)

- Located 1-Mile from Banner Payson Medical Center (44-Beds / 115 Physicians) a 24-Hour Critical Access Hospital & Emergency Care





Del Taco is an American fast food restaurant chain which specializes in American-style Mexican cuisine as well as American foods such as burgers, fries, and shakes. Del Taco has over 550 corporate and franchised locations across 15-states and is headquartered in Lake Forest, California

DESERT TACO, LLC

The franchisee operates 56-Units throughout Arizona, Colorado and California. Desert Taco, LLC is the largest Del Taco operator in the Del Taco system. Desert Taco, LLC started with one location in 1999 and in the years since they have built 11 locations and added 45 more through acquisitions. They have won numerous Del Taco franchisee awards including Gold Club (2001), Franchise Business Partnership Award (2007), Top Sales Increase (2010) and the Top Taco Award (2010). The operator also currently serves as President of Franchise Marketing Advisory Team. In the next five years they expect to add four to eight locations through new builds and acquisitions. The operator is also a CPA and was educated at Baylor University majoring in Business Accounting. Prior to becoming a franchisee he spent 10-years as Operation manager with Motorola.



GUARANTOR 2019 FINANCIALS

Sales:	\$40.0 Million
EBITDA:	\$5.1 Million





108 SOUTH BEELINE HIGHWAY

Payson, Arizona 85541



OFFERING PRICE

\$1,636,364



CAP RATE

5.50%



NET OPERATING INCOME

\$90,000

FINANCIAL SUMMARY

Price:	\$1,636,364
CAP Rate:	5.50%
Gross Leasable Area (GLA)	2,505 SF
Lot Size:	34,412 SF
Year Built / Renovated:	2001 / 2015
Ownership:	Fee Simple

LEASE SUMMARY

Lease Type:	Absolute-Net
Lease Commencement:	Close of Escrow
Lease Expiration:	20-Years from Close of Escrow
Term Remaining:	20-Years
Increases:	10% Every 5-Years
Options to Extend:	Four, 5-Year Options
Tenant:	Desert Taco, LLC / 30-Unit Guaranty

*Tenant has One Option to Terminate in Year-5

RENT SCHEDULE

	Annual Rent:	Monthly Rent:
Close of Escrow - Year 5	\$90,000.00	\$7,500.00
Year 5 - Year 10	\$99,000.00	\$8,250.00
Year 10 - Year 15	\$108,900.00	\$9,075.00
Year 15 - Year 20	\$119,790.00	\$9,982.50
Year 20 - Year 25 (Option 1)	\$131,769.00	\$10,980.75
Year 25 - Year 30 (Option 2)	\$144,945.90	\$12,078.83
Year 30 - Year 35 (Option 3)	\$159,440.49	\$13,286.71
Year 35 - Year 40 (Option 4)	\$175,384.54	\$14,615.40

AREA MAP - NORTHEAST









PAYSON, ARIZONA

Payson is a town in Arizona with a population of 15,439. Payson is in Gila County. Living in Payson offers residents a suburban rural mix feel and most residents own their homes. In Payson there are a lot of restaurants and parks. Many retirees live in Payson and residents tend to be conservative. The public schools in Payson are above average.

Also known to many as the "Heart of Arizona", is a true American Hometown with deep traditions and beauty in all directions. You do have to look far to find something exciting to do in the close-knit community. There are outdoor adventures and hometown events happening year round, which the weather allows for fun in all four seasons.

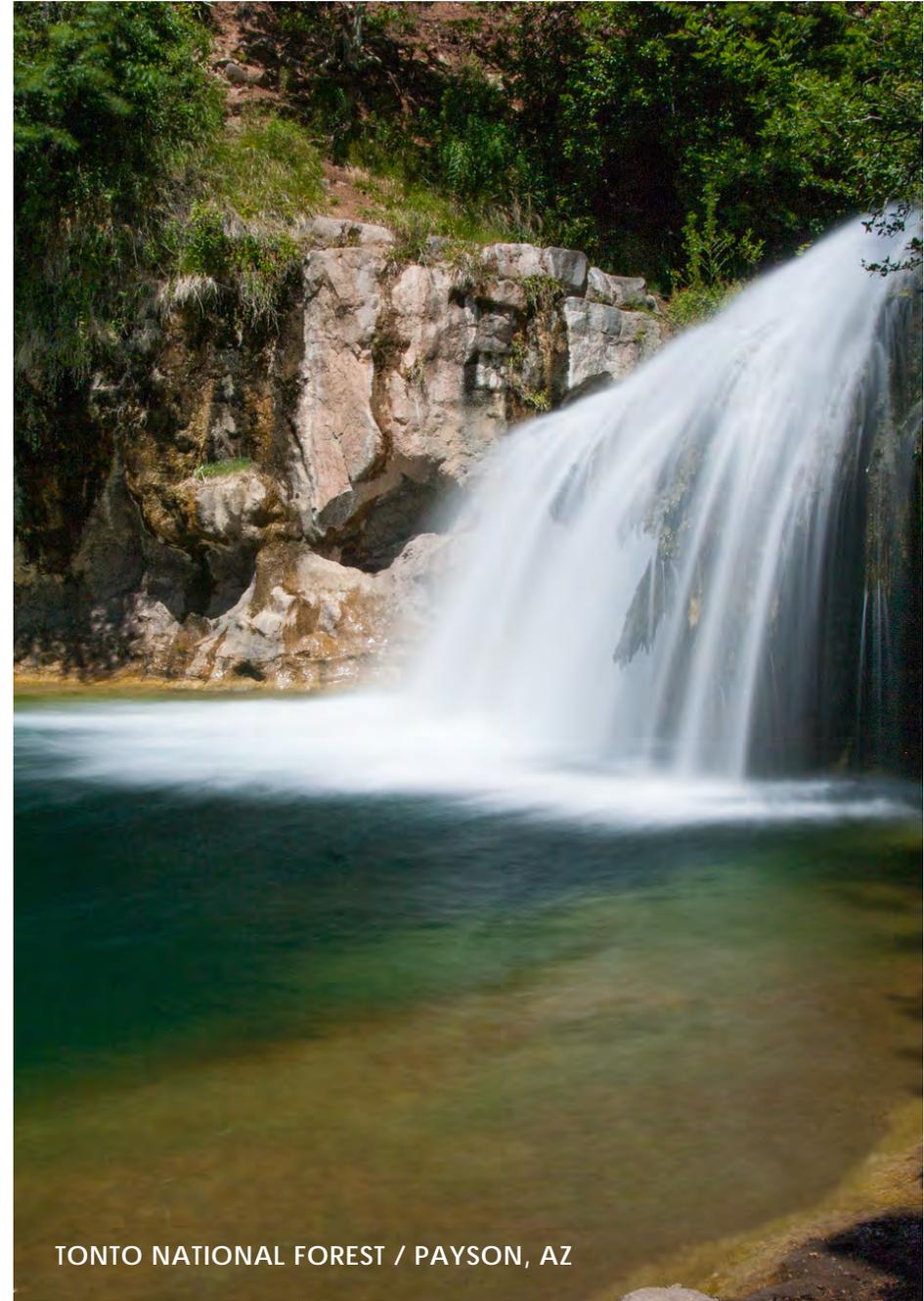
TONTO NATIONAL FOREST

Over 2.9 Million Acres, the Tonto National Forest is the largest national forest in Arizona, and the seventh largest national forest among 154 USDA national forest.

TRAILS: 900+ Miles

RECREATION USE: 5,922,000 Visitors Annually

RECREATION USE OPPORTUNITIES: 59 camping sites, 26 picnic sites, 18 boating sites, 10 fishing sites, 3 organization camps, 52 trail heads, 8 commercial public service sites & 6 interpretive sites



TONTO NATIONAL FOREST / PAYSON, AZ

DEMOGRAPHICS SUMMARY

Population	<p>In 2019, the population in your selected geography is 7,695. The population has changed by 15.06% since 2000. The current population is 48.11% male and 51.89% female. The median age of the population in your area is 52.85, compare this to the US average which is 38.08. The population density in your area is 2,449.00 people per square mile.</p>
Households	<p>There are currently 3,328 households in your selected geography. The number of households has changed by 19.54% since 2000. The average household size in your area is 2.15 persons.</p>
Income	<p>In 2019, the median household income for your selected geography is \$42,627, compare this to the US average which is currently \$60,811. The median household income for your area has changed by 40.54% since 2000. It is estimated that the median household income in your area will be \$49,306 five years from now, which represents a change of 15.67% from the current year.</p> <p>The current year per capita income in your area is \$25,306, compare this to the US average, which is \$33,623. The current year average household income in your area is \$57,500, compare this to the US average which is \$87,636.</p>
Race & Ethnicity	<p>The current year racial makeup of your selected area is as follows: 85.24% White, 1.05% Black, 0.15% Native American and 1.09% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.</p> <p>People of Hispanic origin make up 12.78% of the current year population in your selected area. Compare this to the US average of 18.17%.</p>
Housing	<p>The median housing value in your area was \$204,382 in 2019, compare this to the US average of \$212,058. In 2000, there were 1,853 owner occupied housing units in your area and there were 931 renter occupied housing units in your area. The median rent at the time was \$521.</p>
Employment	<p>In 2019, there are 3,950 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 47.74% of employees are employed in white-collar occupations in this geography, and 52.70% are employed in blue-collar occupations. In 2019, unemployment in this area is 6.50%. In 2000, the average time traveled to work was 18.00 minutes.</p>

POPULATION

	1-Mile	3-Mile	5-Mile
2019 Estimate	7,695	15,034	18,397

HOUSEHOLDS

	1-Mile	3-Mile	5-Mile
2019 Estimate	3,328	6,881	8,260

INCOME

	1-Mile	3-Mile	5-Mile
Avg Income	\$57,500	\$60,352	\$60,932
Median Income	\$42,627	\$45,881	\$46,176
Per Capita Income	\$25,306	\$27,942	\$7,620

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