

20 YEAR NNN LEASE TO TACO BELL IN SILICON VALLEY



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL
FIRST STREET

Taco Bell
San Jose, CA | San Francisco Bay Area

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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.

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- Long Term Net Lease to Taco Bell with 20 Years Remaining
 - Scheduled Rental Escalations within Primary Term
 - Highly Profitable Location with Sustainable Rent to Sales Ratio
- Irreplaceable Bay Area Infill Location within Dense & Affluent San Jose Market
 - Strong Intrinsic Value in Market Where Demand for Real Estate Far Exceeds Supply
- Excellent Access and Visibility at Signalized Intersection of Camden Ave and Kooser Road
 - Combined AADT of 42,380
 - Less than 1 Mile from CA-85 Arterial – 144,900 AADT
- Dense, Affluent Demographics within 1 Mile Radius
 - Median Home Value of \$1,186,617
 - **Average Household Income of \$191,128**
- Total Daytime Population of 1.7 Million within 15 Miles of Site
- Prominent Retail Location Outparcel to CVS-Anchored Retail Center
 - Nearby Anchor Tenants Include Target, Walmart, Whole Foods, Safeway, Sprouts Farmer's Market, Costco, & More
- Walking Distance from Leigh High School, Branham High School, and Dartmouth Middle School, Drawing Additional Traffic from Parents, Teachers, & Students
- San Jose is Largest City in Northern California & Among Wealthiest Cities in the World
 - Major Companies Headquartered in San Jose include Cisco, eBay, Adobe, Paypal, Broadcom, Acer, Samsung, Acer, Hewlett Packard, and Zoom
 - 3rd-Highest Per Capita GDP in the World
- Approximately 10 Miles from Downtown San Jose and 50 Miles from San Francisco

PROPERTY INFORMATION



PRICE

\$4,478,000

3.35% CAP Rate

Location

The property is located at 5431 Camden Avenue in San Jose, California.

Lot Size

Approximately 0.29 acres or 12,797 square feet.

Improvements

A 2,728 square foot building featuring a drive-thru component for **Taco Bell**.

Parking

There is ample parking available on site.

Lease

Leased to **Taco Bell** for 20 years from close of escrow through 2040 at an initial annual rent of \$150,000. There are three (3) five-year options to renew the lease. Rent is to increase by 8% in every five years throughout the primary term and at the start of each option period. The lease is net with tenant responsible for all taxes, insurance, and maintenance.

Net Annual Income

Year	Annual Rent	Return
Years 1-5	\$150,000	3.35%
Years 6-10	\$162,000	3.62%
Years 11-15	\$174,960	3.91%
Years 16-20	\$188,957	4.22%
Years 21-25 (Option 1)	\$204,073	4.56%
Years 26-30 (Option 2)	\$220,399	4.92%
Years 31-35 (Option 3)	\$238,031	5.32%

Financing

This property will be delivered free and clear of permanent financing.

ABOUT THE TENANT



Golden Gate Bell, LLC, is the largest Taco Bell Franchisee in California with 77 locations and an additional 234 locations operated by 4 affiliated franchises nationwide.



Taco Bell is a quick-service restaurant chain specializing in Mexican-style food products, including tacos, burritos, quesadillas, salads, and nachos, with approximately 7,363 locations worldwide. The brand's restaurants are largely franchised, with more than 350 franchise operators in the U.S., and is ranked #4 in Entrepreneur magazine's Franchise 500. The brand is a subsidiary of **YUM! Brands, Inc. (NYSE: YUM)**, which also operates the brands KFC, Pizza Hut, The Habit Burger Grill, and WingStreet.

For 2019, YUM! Brands, Inc. reported revenue of \$5.60 billion, net income of \$1.29 billion, and Taco Bell system-wide sales of \$11.78 billion, a 9% increase year-over-year. For the third quarter of 2020, YUM! Brands, Inc. reported revenue of \$1.45 billion, net income of \$283 million, and \$501 million in revenue attributable to the Taco Bell division, all of which represent year-over-year increases relative to the third quarter of 2019, despite the COVID-19 pandemic.

Golden Gate Bell, LLC, the lease entity, is the largest Taco Bell franchisee in California and among the largest Taco Bell franchisees in the U.S., operating 77 Taco Bell locations, primarily in Northern California. The tenant experiences robust, sustainable sales at this location. Financial information about the tenant is available to qualified buyers.

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SITE PLAN

Avanti Shopping Center ±62,290 SF

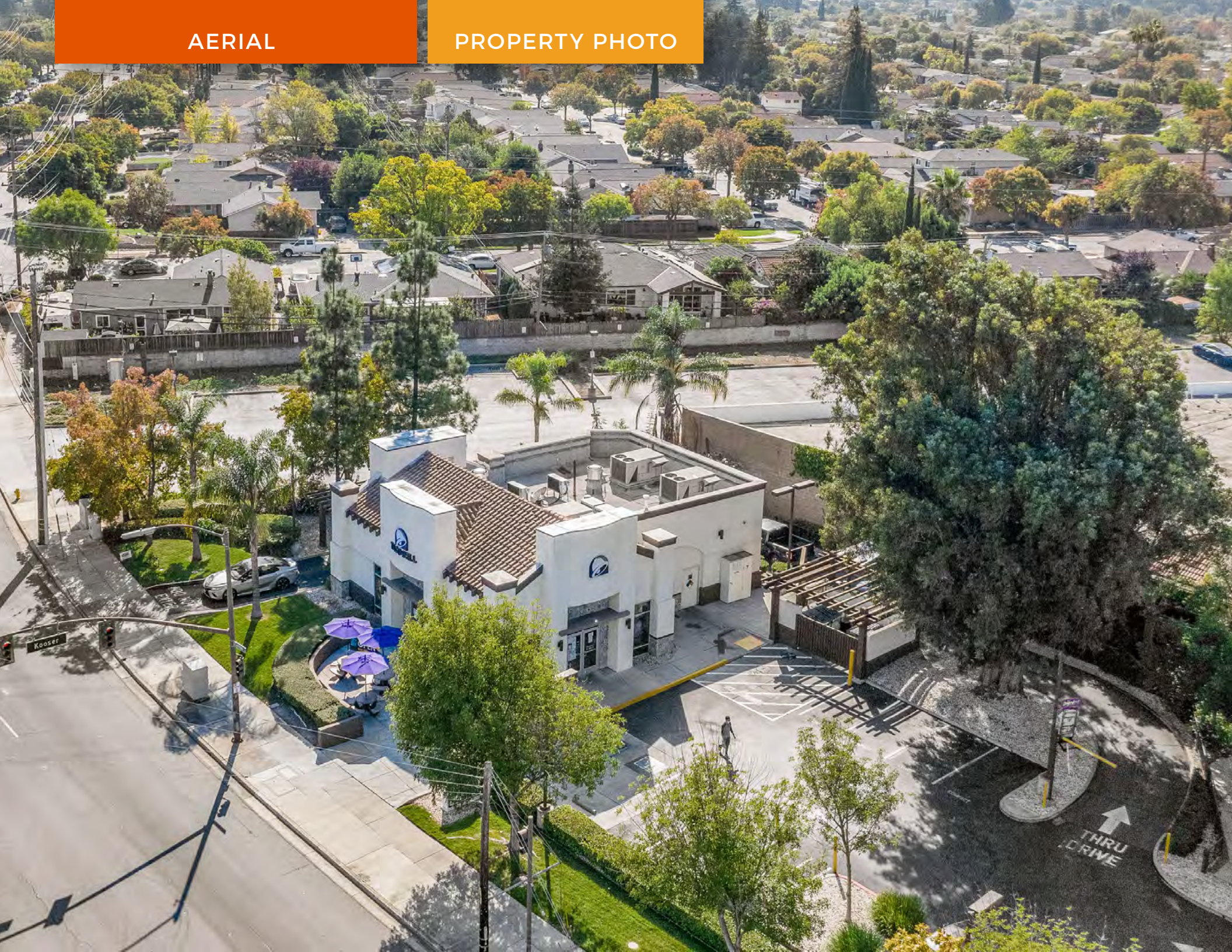


KOOSER RD (12,000 AADT)

CAMDEN AVE (37,340 AADT)

AERIAL

PROPERTY PHOTO



AERIAL

NORTHWEST VIEW

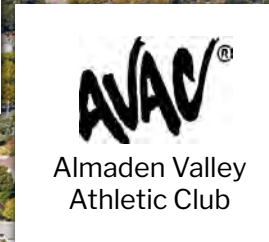
Campbell

Santa Clara

Downtown
San Jose



(144,900 AADT)



Lietz
Elementary



Village Green
Apartments



Del Coronado
Apartments



AVANTI
SHOPPING CENTER



Kooser Rd (12,000 AADT)



Arbor
Apartments

AERIAL

NORTH VIEW

Moffett Field
Airfield

NORMAN Y. MINETA
SAN JOSE
INTERNATIONAL
AIRPORT

Milpitas

Downtown
San Jose

Sunnyvale

Santa Clara

Campbell



MERIDIAN PARK PLAZA



ALMADEN RANCH



John Muir
Middle School



Oster
Elementary



Challenger School
Harwood

Stratford
Middle School



(144,900 AADT)

Branham
High School

AppleSeed Almaden
Montessori

Pioneer
High School

ALMADEN PLAZA



AVANTI SHOPPING CENTER



Lietz
Elementary

Kooser Rd (12,000 AADT)

Dartmouth
Middle School

Almaden Valley
Athletic Club

PRINCETON PLAZA



Beacon
School

Noddin
Elementary

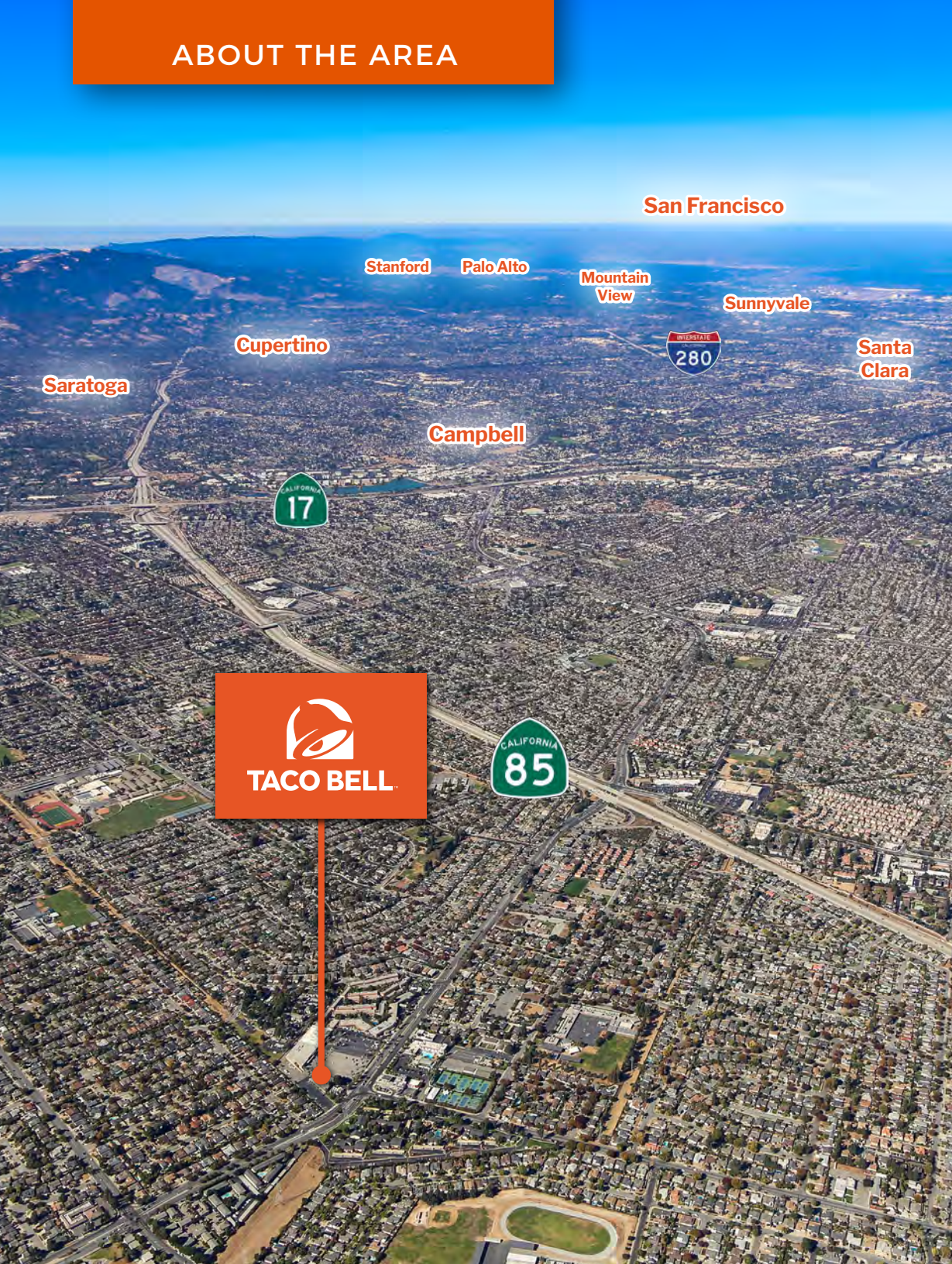
Leigh
High School

A detailed map of the San Francisco Bay Area. Major cities like San Francisco, Oakland, San Jose, and San Diego are labeled. The map shows the Golden Gate Bridge, various highways (Interstates 5, 8, 580, 680, 805, and State Routes 1, 205, 206, 82, 87, 88, 94, 101, 108, 140, 163, 99), and natural features like the Golden Gate National Recreation Area and various parks. A red callout box with the word "SITE" in white capital letters points to a location near Los Gatos, California, south of San Jose.

San Jose (population 1,026,658) is the largest city in Northern California, third most populous city in the state, and the seat of Santa Clara County. The city is a major hub for technological innovation and has been dubbed the “capital of Silicon Valley.” The city is part of the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which has a population of 1.8 million, and the San Jose-San Francisco-Oakland Combined Statistical Area, the second largest combined statistical area in California and the fifth largest in the U.S., and has a gross domestic product of \$820.9 billion. Santa Clara County is the wealthiest county on the West Coast and one of the wealthiest counties in the United States.

The region is home to numerous colleges and universities, including the University of California Berkeley, University of California Santa Cruz, Stanford University, Santa Clara University, San Jose State University, San Francisco State University, and more. The area boasts above-average levels of academic attainment, particularly due to the high concentration of technology-related jobs in the area. The area is also home to numerous federal research facilities including the NASA Ames Research Center, located within the larger Moffett Federal Airfield, Lawrence Livermore National Laboratory, and the Stanford Linear Accelerator center.

ABOUT THE AREA



Major San Francisco Bay Area Companies

The San Francisco Bay Area region is best known as a hotbed of high-tech innovation, and is home to a plethora of major companies. Fortune 1000 companies headquartered in the region include Adobe, Alphabet Inc, the parent company of Google, Apple, Facebook, Hewlett-Packard, Intel, Cisco, eBay, Applied Materials, Netflix, Oracle, NVIDIA, Tesla, Symantec, Visa, Electronic Arts, Salesforce, Advanced Micro Devices, Agilent Technologies, Intuit, Juniper Networks, KLA Tencor, Lam Research, LSI Logic, Marvell Semiconductors, National Semiconductor, NetApp, VMware, Western Digital Corporation, Xilinx, Yahoo, and more. Other notable companies with significant presence in the region include Amazon.com, Microsoft, LinkedIn, Twitter, Uber, Yelp, Youtube, Asus, Atari, Broadcom, Dell, E*Trade, Fujitsu, IBM, Hitachi, Infosys, Nokia, Panasonic, Paypal, GoPro, Genentech, Charles Schwab Corporation, Gilead Sciences, Groupon, Pixar, Samsung, Siemens, SolarCity, TiVo, Qualcomm, SAP, Sony, Sun Microsystems, Square, Mozilla, McAfee, Logitech, SurveyMonkey, and Zynga. The region benefits from extensive presence of venture capital firms and investors, further fueling the growth and concentration of high-tech startups.



ABOUT THE AREA

The map shows the project site located on Blossom Hill Rd, south of San Jose. The site is marked with a red pin and labeled 'SITE'. The map includes major highways (880, 680, 101, 87, 85, 17, 9, 5, 237, 82, 130) and cities (San Jose, Santa Clara, Berryessa, East Foothills, Alum Rock, East San Jose, West San Jose, Willow Glen, Campbell, Fruitdale, Japantown, North San Jose, South San Jose, Los Gatos, Monte Sereno, Lexington Reservoir County Park, Santa Teresa). Landmarks include the Municipal Rose Garden, Winchester Mystery House, Sierra Vista Open Space Preserve, and Alum Rock Park.

The subject property is prominently situated in a dense infill location outparcel to the CVS-anchored Avanti Shopping Center, with excellent access and visibility at the signalized intersection of Kooser Road (12,000 AADT) and Camden Avenue (37,340 AADT) less than one mile from its junction with the CA-85 arterial (144,900 AADT). The site benefits from dense, affluent demographics with a total daytime population of 1,728,506 within 15 miles of the site and a population of 373,995 within a 5 mile radius. Average household income within 1 mile of the site is \$191,128, with 65% of households in the surrounding area earning more than \$100,000 annually. Median home value within a 1 mile radius exceeds \$1,186,600.

The property benefits from a prominent retail location in close proximity to shopping centers, major employers, schools, and more. Retail centers in the surrounding area include Almaden Plaza, anchored by Costco, Whole Foods Market, Trader Joe's, and Pet Food Express; Princeton Plaza, with tenants including Michaels, Outdoor Supply Hardware, and Planet Fitness; Blossom Hill Shopping Center, anchored by Walgreens; Meridian Park Plaza, anchored by CVS and Lunardi's Markets; Almaden Ranch Marketplace, featuring Bass Pro, Total Wine, and Ulta Beauty; Robertsville Square, with tenants including Walmart Supercenter, Best Buy, and Dollar Tree; Almaden Square, anchored by Cost Plus World Market and Ashley Homestore; Westfield Oakridge, anchored by Target, Macy's, and Nordstrom Rack. Other major retail tenants in the surrounding area include Safeway, Smart & Final Extra!, The Home Depot, Tuesday Morning, and more.

In addition, the property is located in close proximity to Leigh High School, Branham High School, Dartmouth Middle School, Noddin Elementary School, Leitz Elementary School, and Challenger School, drawing additional traffic from students, parents, and teachers to the site. The property is also located approximately 3 miles from Good Samaritan Medical Center, a 351-bed hospital with a staff 2,270.

DEMOGRAPHICS



5431 Camden Ave | San Jose, CA 95124



2020 POPULATION

373,995



AVG. HOME VALUE

\$1,219,229



AVG. HOUSEHOLD INCOME

\$191,128

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	21,804	139,695	361,997
2020 Total Population	22,142	142,219	373,995
2025 Total Population	22,288	143,146	378,331
2020-2025 Annual Rate	0.13%	0.13%	0.23%

Average Household Income

2020	\$191,128	\$188,496	\$177,050
2025	\$212,075	\$209,267	\$196,497

Average Home Value

2020	\$1,219,229	\$1,208,911	\$1,186,863
2025	\$1,233,582	\$1,224,743	\$1,210,827

Major Employers in San Jose

of Employees

County of Santa Clara	18,570
Cisco Systems	9,500
City of San Jose	7,728
San Jose State University	3,600
eBay	3,400
Paypal, Inc.	3,300
Adobe Systems, Inc.	2,900
Kaiser Permanente	2,585
Target Stores	2,400
Good Samaritan Health System	2,240



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