



TACO BELL

RARE 20-YEAR GROUND LEASE – SAM'S CLUB OUTPARCEL

HOUSTON, TX

Contact the team

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**IN CONJUNCTION WITH
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TACO BELL

13470 EAST FREEWAY, HOUSTON TEXAS

\$2,444,444
PRICE

4.50%
CAP

NOI:	\$110,000
LEASE TYPE:	GROUND LEASE
LEASE TERM:	20 YEARS
LEASABLE AREA:	31,425 SF
BUILDING AREA:	2,106 SF
YEAR BUILT:	2020

ABSOLUTE NET 20-YEAR GROUND LEASE

Investment Highlights



THE OFFERING

The offering provides an opportunity to acquire a brand new 20-year Taco Bell ground lease located in Houston, Texas. The newly constructed restaurant opened for business in November 2020. The lease is an absolute NNN ground lease that features a rare 20-year base term with five 5-year options to extend and 10% increases every 5-years throughout the base term as well as five 5-year options. The store will be operated by a successful franchisee (www.bgfood.com) which has 151 Taco Bell units and over 3,000 employees in three states: Texas, Louisiana, and Mississippi.

The Taco Bell is an outparcel to a Sam's Club, Home Depot and Academy Sports & Outdoors anchored shopping center. Located on the east side of Houston and fronting Interstate-10 (165,593 VPD) the property benefits from over 190,000 residents within a 5-mile radius. Houston is the most populous city in the state of Texas and the fourth largest in the United States with over 2.3 million residents.

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HIGHLIGHTS

- **20-Year absolute Net ground lease**
- **Fixed 10% rental increases every 5-years**
- **Strong franchisee (151 Locations)**
- **Drive-Thru**
- **Taco Bell corporate - \$10.8 Billion in 2019 sales**

DESIRABLE LOCATION

- **Outparcel to Sam's Club, Home Depot and Academy Sports & Outdoors**
- **Fronts Interstate-10 (165,000+ VPD)**
- **Excellent access and visibility**
- **Over 190,000 residents in a 5-mile radius**

Income & Expense

PRICE		\$2,444,444
Capitalization Rate:		4.50%
Total Rentable Area (SF) ¹		31,425
STABILIZED INCOME		PER SQUARE FOOT
Scheduled Rent	\$3.50	\$110,000
Effective Gross Income	\$3.50	\$110,000
LESS		PER SQUARE FOOT
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
EQUALS NET OPERATING		\$110,000

1 - The building within the premises is approximately 2,106 square feet.

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Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.	TERM		CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT
Taco Bell	31,425	10/01/20	09/30/25	\$110,000	\$9,167	\$110,000	\$0.29	\$3.50
		10/01/25	09/30/30		\$10,083	\$121,000	\$0.32	\$3.85
		10/01/30	09/30/35		\$11,092	\$133,100	\$0.35	\$4.24
		10/01/35	09/30/40		\$12,201	\$146,410	\$0.39	\$4.66
		Option 1	10/01/40		\$13,421	\$161,051	\$0.43	\$5.12
		Option 2	10/01/45		\$14,763	\$177,156	\$0.47	\$5.64
		Option 3	10/01/50		\$16,239	\$194,872	\$0.52	\$6.20
		Option 4	10/01/60		\$17,863	\$214,359	\$0.57	\$6.82
		Option 5	10/01/65		\$19,650	\$235,795	\$0.63	\$7.50
TOTALS:	31,425			\$110,000	\$9,167	\$110,000	\$0.29	\$3.50

1 - The building within the premises is approximately 2,106 square feet.

Site Plan

sf
2,106
RENTABLE SF

sf
31,245
LAND SF

34
SPACES



Tenant Overview



ABOUT TACO BELL

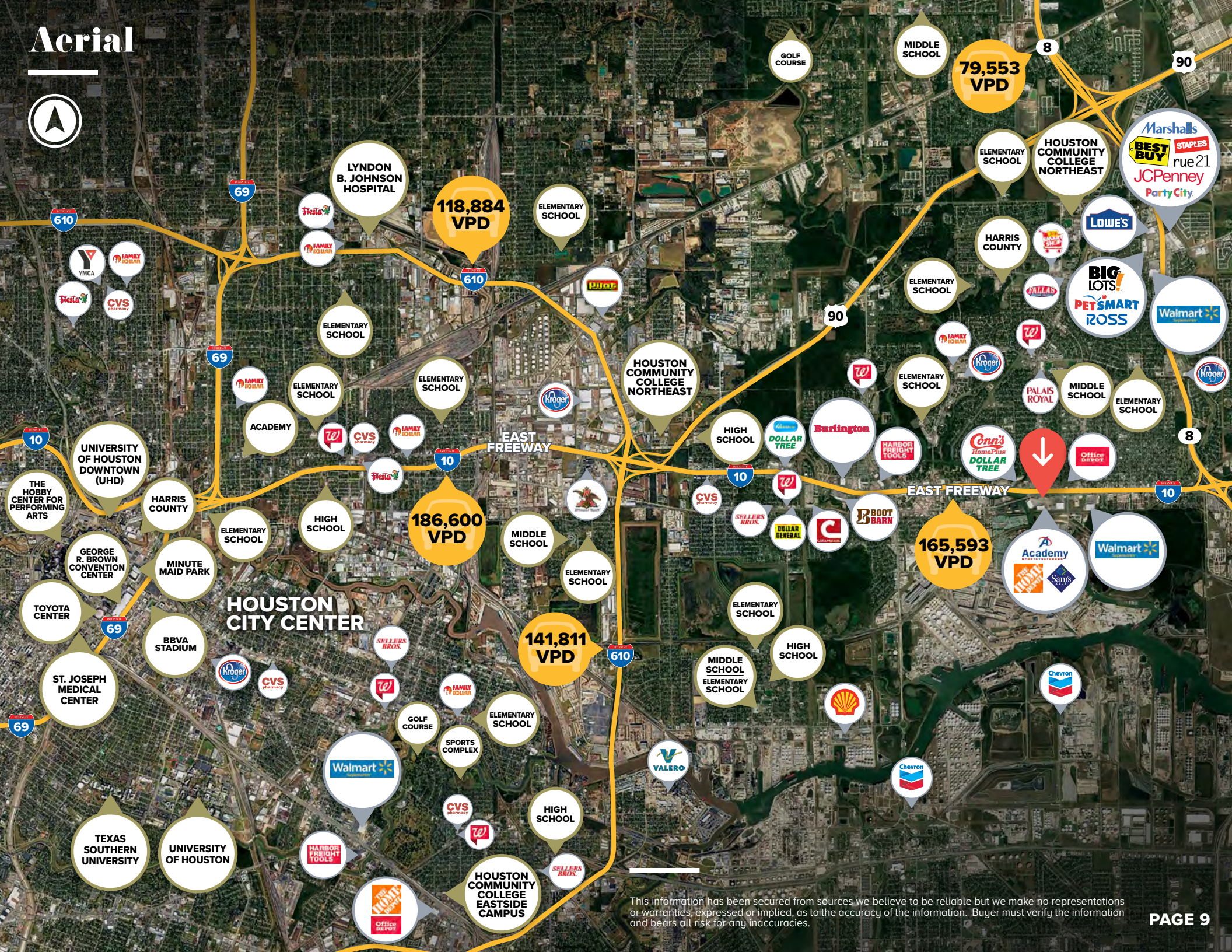
Taco Bell is an American fast food chain known for its inventive, often whimsical, Mexican-inspired menu items. Along with KFC and Pizza Hut, Taco Bell is owned by Louisville, Kentucky-based Yum! Brands and serves 42 million customers a week at nearly 7,000 restaurant locations worldwide. The brand is growing with nearly 500 international restaurants in nearly 30 countries across the globe.

The restaurant chain has tapped into technology to improve its service from order to pickup. Its mobile app—which has been downloaded over 4.9 million times—makes it easy to place a custom meal order and pay before you arrive to skip the line. In 2016, they were named as one of Fast Company's Top 10 Most Innovative Companies in the World.

2019 SALES | \$10.8B

ABOUT THE FRANCHISEE

In 1982, Brenda and Gregory J. Hamer, Sr. created B&G Food Enterprises, LLC when they received a franchise from Taco Bell to operate a restaurant in Morgan City, Louisiana. Today, B&G operates 151 restaurants in Louisiana, Mississippi, and Texas. B&G is the largest Taco Bell Franchisee in Louisiana and maintain our Corporate Headquarters in Morgan City, Louisiana.



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Demographics



POPULATION

	1-MILE	3-MILES	5-MILES
2010	8,840	82,699	173,612
2019	9,534	87,839	190,138
2024	10,011	91,391	199,605



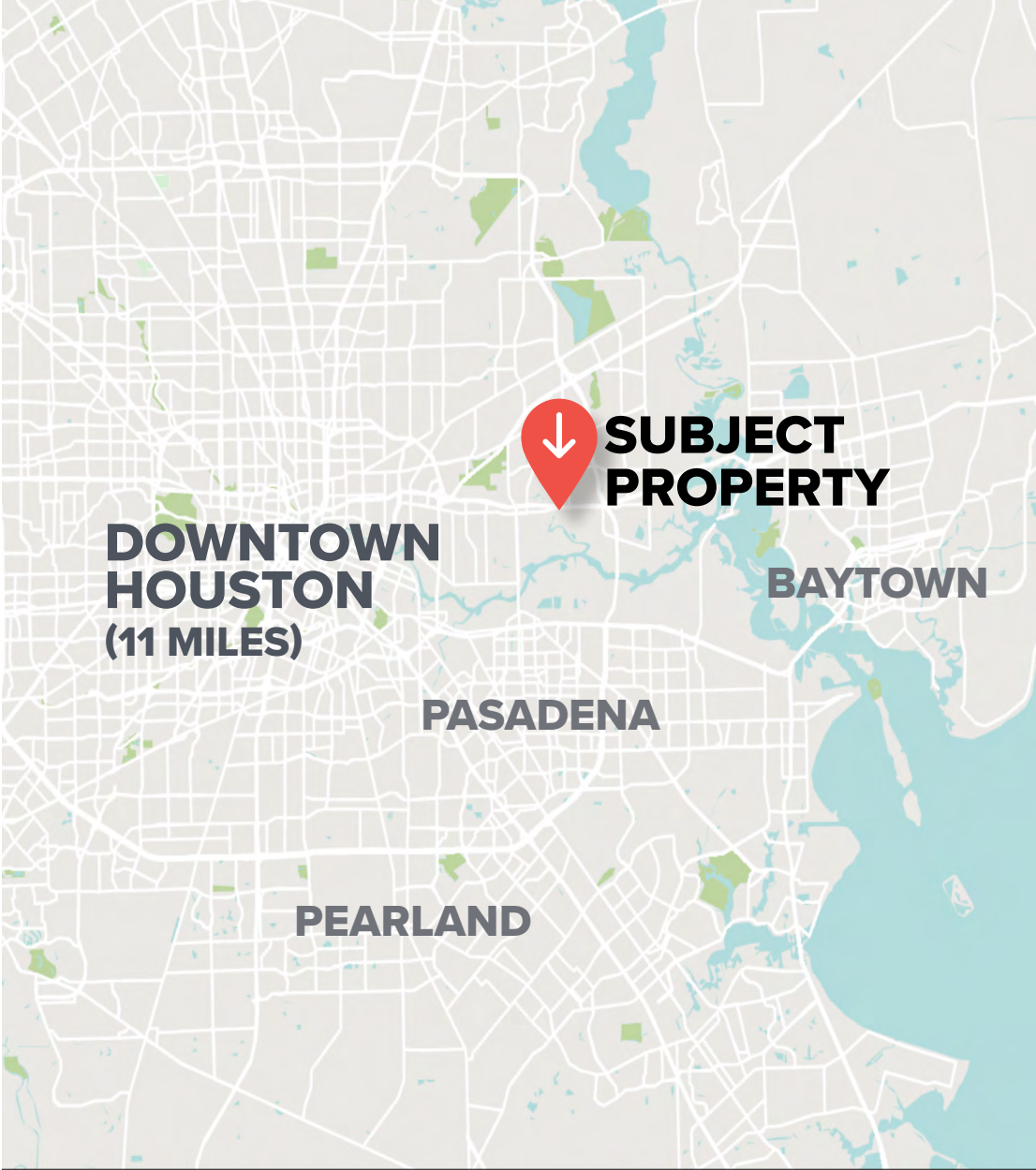
2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$48,957	\$60,646	\$61,039
Median	\$38,086	\$46,962	\$48,728

TOP EMPLOYERS - HOUSTON

EMPLOYER	# OF EMPLOYEES
Walmart	37,000
Memorial Hermann Health System	24,108
H-E-B	23,732
University of Texas	21,086
Houston Methodist	20,000

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OVER 190,000 PEOPLE IN A 5-MILE RADIUS

HOUSTON, TEXAS



HOUSTON is the most populous city in the state of Texas and the fourth-most populous city in the United States, with a population of 2.303 million within a land area of 599.59 square miles. Located in Southeast Texas near the Gulf of Mexico, the Greater Houston metro area is the fifth-most populated MSA in the United States.

Houston boasts more than 14 colleges and universities with more than 315,000 students enrolled in over 500 degree and certification programs in the city. Four distinct state universities are located in Houston. The University of Houston is a nationally recognized Tier One research university, and is the flagship institution of the University of Houston System. The third-largest university in Texas, the University of Houston has nearly 44,000 students on its 667-acre campus in southeast Houston.

ECONOMY **HOUSTON** is recognized worldwide for its energy industry—particularly for oil and natural gas—as well as for biomedical research and aeronautics. Leading in health care sectors and building oilfield equipment, outside New York City, Houston has more Fortune 500 headquarters than any other U.S. municipality within its city limits. Nicknamed the “Space City”, Houston is a global city, with strengths in business, international trade, entertainment, culture, media, fashion, science, sports, technology, education, medicine, and research.

6.77 MILLION



**HOUSTON MSA
POPULATION
(ESTIMATED)**



HOUSTON is home to two major airports, George Bush International Airport, **one of the country's busiest airports** and international hubs, and William P. Hobby Airport. **The Port of Houston is a 25-mile-long complex of nearly 200 private and public industrial terminals** along the 52-mile-long Houston Ship Channel. The port is consistently ranked 1st in the United States in foreign waterborne tonnage; 1st in U.S. imports; 1st in U.S. export tonnage and 2nd in the U.S. in total tonnage.

The Texas Medical Center, located in Houston, is **the largest medical complex in the world**, serving more than 10 million patients per year.

The city has major profession league teams in almost every sport including: MLB - the Houston Astros, NBA - the Houston Rockets, NFL – the Houston Texans, MLS - the Houston Dynamo, and MLR - the Houston Sabercats.

GENERAL STATS

1ST LARGEST CITY IN TEXAS

5TH LARGEST MSA IN THE U.S.

**#7 U.S. NEWS & WORLD REPORT
BEST PLACES TO LIVE**

**#1 BEST CITY FOR COLLEGE
GRADUATES NAMED BY MONEY**

**20 FORTUNE 500
HEADQUARTERS RANKING 4TH**

3.21 MILLION JOBS IN THE METRO

**1ST LARGEST MEDICAL COMPLEX
IN THE WORLD**



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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date