



**TACO
BELL**

SINGLE TENANT ABSOLUTE NNN GROUND LEASE INVESTMENT OPPORTUNITY

- 25 YEAR ABSOLUTE NNN GROUND LEASE
- BRAND NEW CONSTRUCTION

1401 Foothill Blvd.
LA VERNE, CA 91750



Construction Complete, Now Open!

NEWMARK

Colliers
INTERNATIONAL

Offering Memorandum



1401 Foothill Blvd., La Verne, CA 91750



FOOTHILL BLVD.

WHEELER AVENUE

26,640 cars/day

13,800 cars/day





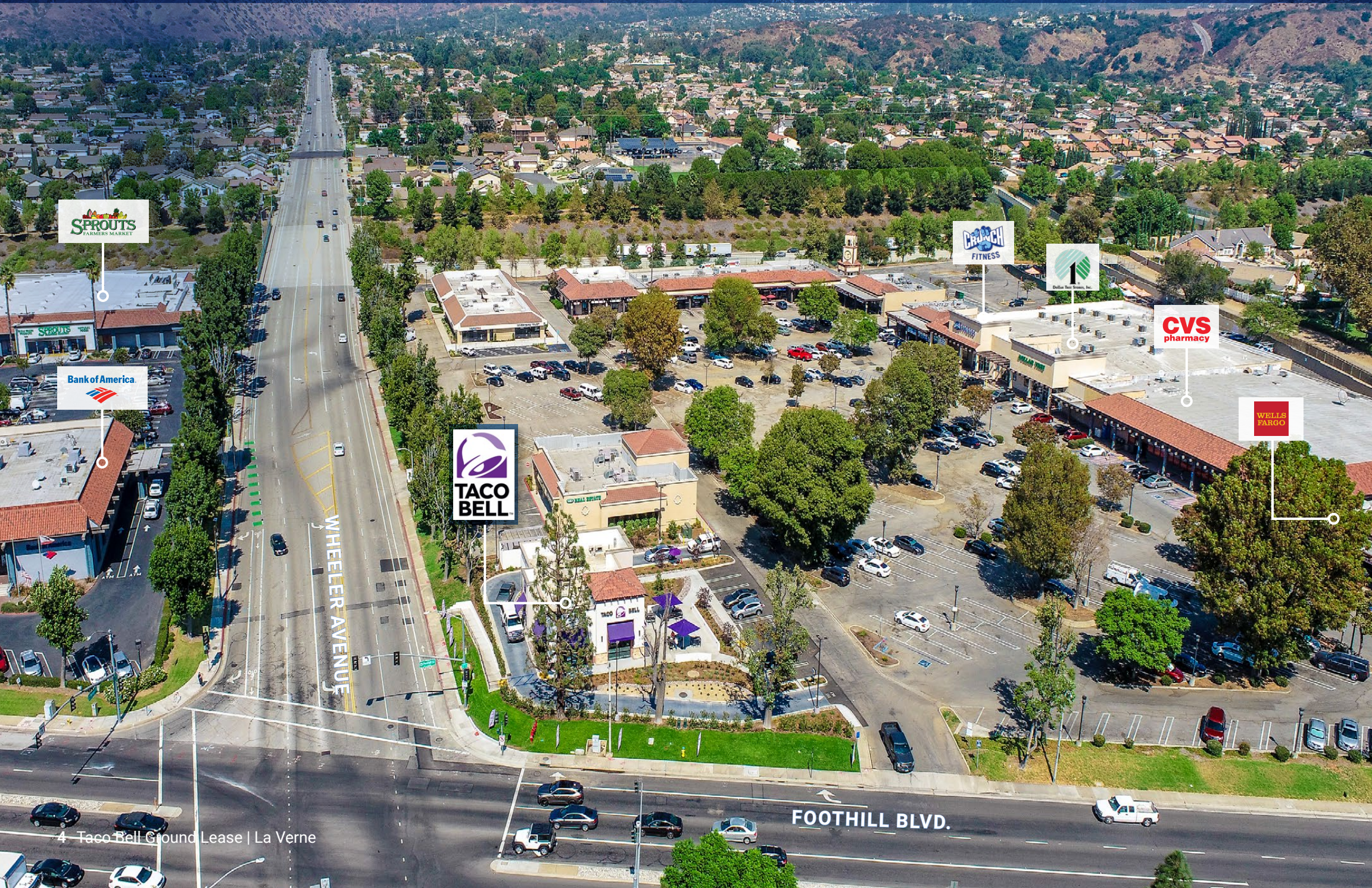
1401 Foothill Blvd., La Verne, CA 91750



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The Offering Property Description Financial Highlights Market Overview

Offering Summary



Offering Summary

Offering Terms

\$3,543,000

Price

3.5%

Cap Rate

\$124,000*

Base Rent

25 Years

Initial Term

2,643 SF

Building GLA

The Seller reserves the right to sell the property at any time without prior notices. The property will be sold on an as-is basis.

*with 10% increase every 5 years except the first option period, which is FMV but no less than 110% of previous rent



Investment Highlights

NATIONAL CREDIT NNN WITH LOYAL FOLLOWING

- Purchasers benefit from the passive, “coupon clipper” single-tenant investment with a worldwide company, Taco Bell, which also features a strong corporate guarantee from a 40+ unit operator.

DURABLE LONG-TERM NNN LEASE STRUCTURES

- The Taco Bell Ground Lease is at its inception of a brand new 25-year ground lease with scheduled increases every five years with five, 5-year renewal options extending potential tenancy out to November 2069.

STABLE, LONG TERM INVESTMENT

- Built in 2020, Taco Bell signed a brand new 25-year lease with stated increases every five years which offers investors a hedge against inflation.

PRIME LOS ANGELES COUNTY DENSE LOCATION

- The Taco Bell Ground Lease at Heritage Plaza is well-located within Los Angeles County along Route 66. There are over 272,000 residents with incomes of \$102,000 within a 5-mile radius.

BARRIERS TO ENTRY

- There is no land for new development and the threat of drive-thru QSR redevelopment to infringe on the viability and performance of Taco Bell Ground Lease at Heritage Plaza La Verne simply does not exist.

LIMITED MANAGEMENT

- Long-term, single-tenant absolute NNN ground lease with no management responsibilities provides for a true passive investment.

PREMIER RETAIL SYNERGY

- The Taco Bell Ground Lease is nearby national credit tenants including Sprouts, LA Fitness, Vons, Starbucks, Jack in the Box and more. In Addition to nearby retail synergy, Heritage Plaza is anchored with CVS and Dollar Tree along with Crunch Fitness and Wells Fargo Bank.

RETAIL TRADE CORRIDOR LOCATION

- The prominent corner location of the Taco Bell Ground Lease is “ground zero” for the La Verne/Foothill Blvd. retail corridor.

FREEWAY ACCESSIBLE

- The Taco Bell Ground Lease is right off Interstate 210 with over 177,000 cars/day.

NO DEBT

- Offered Free and Clear of any existing financing.

Property Description



Property Specifications

LOCATION

Taco Bell Ground Lease is located on Foothill Blvd., just south of the 210 and just north of Foothill Blvd. in the City of La Verne in Los Angeles County, California.

ADDRESS

1401 Foothill Blvd.
La Verne, California 91750

SQUARE FOOTAGE

2,643 square feet

ZONING

FBSP (Foothill Blvd. Specific Plan)

YEAR BUILT

The Taco Bell building is currently under construction with an estimated completion date of mid-June, 2020.

TRAFFIC COUNT

Approximately 26,644 cars daily on Foothill Blvd and 13,800 on Wheeler Avenue.

ACCESS

There are six points of entry to the property. There are three entrances along Wheeler Avenue and another three along Foothill Blvd.

LAND AREA

APN: 8666-014-037 is 21,780 SF.

Property Description



Financial Highlights

Ground Lease Summary

The Taco Bell Ground lease is an absolute NNN lease with the tenant (Taco Bell) paying all expenses directly, including shopping center CAM and maintenance.

Tenant	Taco Bell
Leased Premises	2,643 SF
Land Area	21,780 SF
Location	1401 Foothill Blvd. La Verne, CA 91750
Current Term	25 Years
Lease Commencement	11/9/2019
Lease Options	Five 5-year periods
Exclusive	Hamburger sales

LEASE TERM

Start	End	Annual Rent	Monthly Rent	% Increase
11/9/19	11/9/24	\$124,000	\$10,334	10.00%
11/10/24	11/9/29	\$136,400	\$11,367	10.00%
11/10/29	11/9/34	\$150,040	\$12,503	10.00%
11/10/34	11/9/39	\$165,044	\$13,754	10.00%
11/10/39	11/9/44	\$181,548	\$15,129	10.00%

OPTIONS

Start	End	Annual Rent	Monthly Rent	% Increase
11/10/44	11/9/49	FMRV	FMRV	10.00%
11/10/49	11/9/54	FMRV	FMRV	10.00%
11/10/54	11/9/59	FMRV	FMRV	10.00%
11/10/59	11/9/64	FMRV	FMRV	10.00%
11/10/64	11/9/69	FMRV	FMRV	10.00%

A photograph of a Taco Bell restaurant interior. The background features a large, vibrant mural with the words "TACO BELL" in stylized letters, surrounded by colorful geometric patterns and a central sun-like motif. In the foreground, there are several dark wooden tables and black chairs arranged for seating. To the right, a service counter with a menu board and a "CHILL DRINK" sign is visible.

Tenant Overview

\$1.98 Billion

Annual Revenue

40 Million

Customer's served each week

1962

Year founded

7,363

Number of locations (Globally)

7,000+

Number of locations (US)

350

Number of franchisees

\$1.5 Million

Average sales per unit

Mexican inspired quick service chain Taco Bell operated a total of 7,363 restaurants in 30 different countries worldwide in 2019. This number rose from 7,072 the previous year. A unit of fast-food behemoth YUM! Brands, Taco Bell and its 350 franchise organizations serve over 40 million customers each week and is the #1 Mexican fast-food restaurant in the world.

YUM! Brands, parent company to Kentucky Fried Chicken (KFC) and Pizza Hut. Yum!'s 2019 revenue was approximately \$5.5 billion, with Taco Bell generating approximately \$2 billion revenue in 2019.

At Taco Bell, we've had innovation on our mind since Glen Bell started serving tacos at the first location in 1962 in Downey, California. Since then, we've grown to be a culture-centric, lifestyle brand that provides craveable, affordable Mexican-inspired food with bold flavors. Not only do we provide breakthrough value, we offer quality ingredients and are the first QSR restaurant to offer American Vegetarian Association (AVA)-certified menu items.

Source: Statista & Hoover's, Yum.com

WITHIN A 5-MILE RADIUS



\$102,581

AVERAGE HOUSEHOLD
INCOME



±259K

DAYTIME POPULATION



±272K

2019 TOTAL
POPULATION



BONITA HIGH SCHOOL



GRACE MILLER
ELEMENTARY SCHOOL

PELOTA PARK



WHEELER AVENUE

FOOTHILL BLVD



METROPOLITAN WATER DISTRICT



WITHIN A 5-MILE RADIUS



37.7%
OF RESIDENTS MAKE
MORE THAN \$100,000

35.9

MEDIAN AGE



33.1%
HAVE AT LEAST
BACHELOR'S

Market Overview

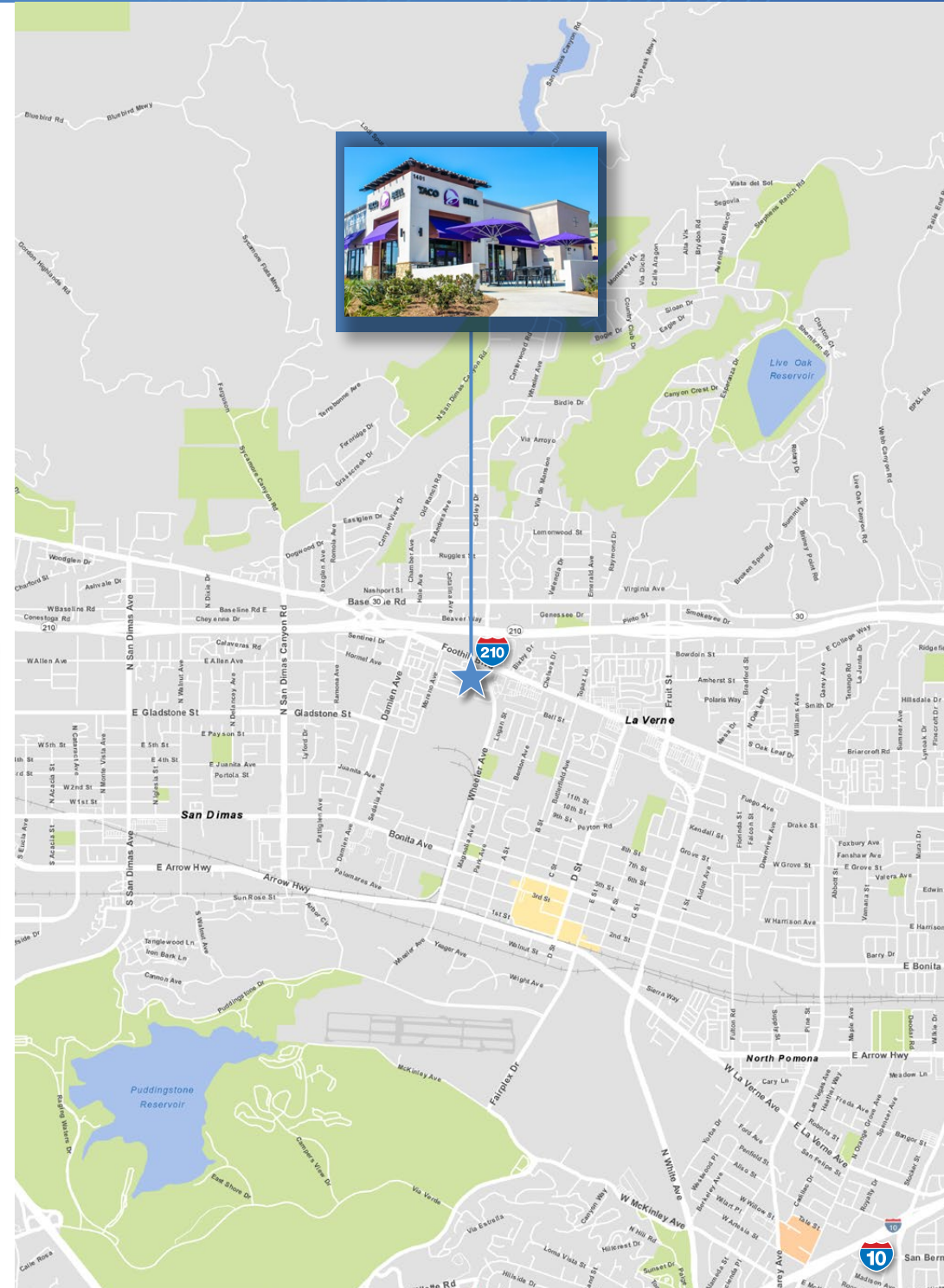
The project is located in the eastern end of Los Angeles County bordered by the communities of Claremont, San Dimas, and Glendora. The surrounding trade area consists of a stable and affluent residential community as well as a substantial base of college students attending the elite Claremont Colleges, and the University of La Verne. The Claremont colleges represent some of the most elite private universities in the country including Harvey Mudd, Claremont McKenna, and Pomona College. In total, there are five colleges with a total student enrollment of 6,081 students. The University of La Verne has a total enrollment of 5,804 students.

The demographics in this area are outstanding with over 96,000 residents with an average household income of \$111,489 within three (3) miles of the shopping center.

The Foothill (210) Freeway is the primary east/west transportation hub servicing the San Gabriel Valley and San Bernardino County. The 210 freeway provides convenient regional access to those living in the surrounding communities. In addition, Foothill Boulevard serves as the main east/west arterial from Pasadena to the west all the way to Rancho Cucamonga to the East. This is the former historic Route 66, which was the first main highway serving the foothill communities in Southern California, and remains a dominant commercial corridor today. Retail demand in this submarket is generally strong, particularly for daily needs, restaurant, and specialty retail which explains the high historic occupancy in this trade area.

La Verne Overview

Founded in 1887 and incorporated in 1906, La Verne is nestled in the foothills of the San Gabriel - Pomona Valleys. La Verne is situated approximately 35 miles east of Los Angeles and has a population of over 33,000. Although La Verne is located in metropolitan Los Angeles County, it is a "close-knit" community which has been able to retain its "small town" traditions and virtues. With eight mobile home parks and three large retirement communities, La Verne has a significant senior citizen population. In addition, due to an influx of new upscale housing during the past two decades, La Verne also enjoys a large clientele of school-age youth. The City provides a full range of services including police, fire, water, streets, planning, parks and community services. La Verne is a well balanced residential community which includes a good mix of commercial and industrial uses as well as the University of La Verne, an airport and fine public and private schools.

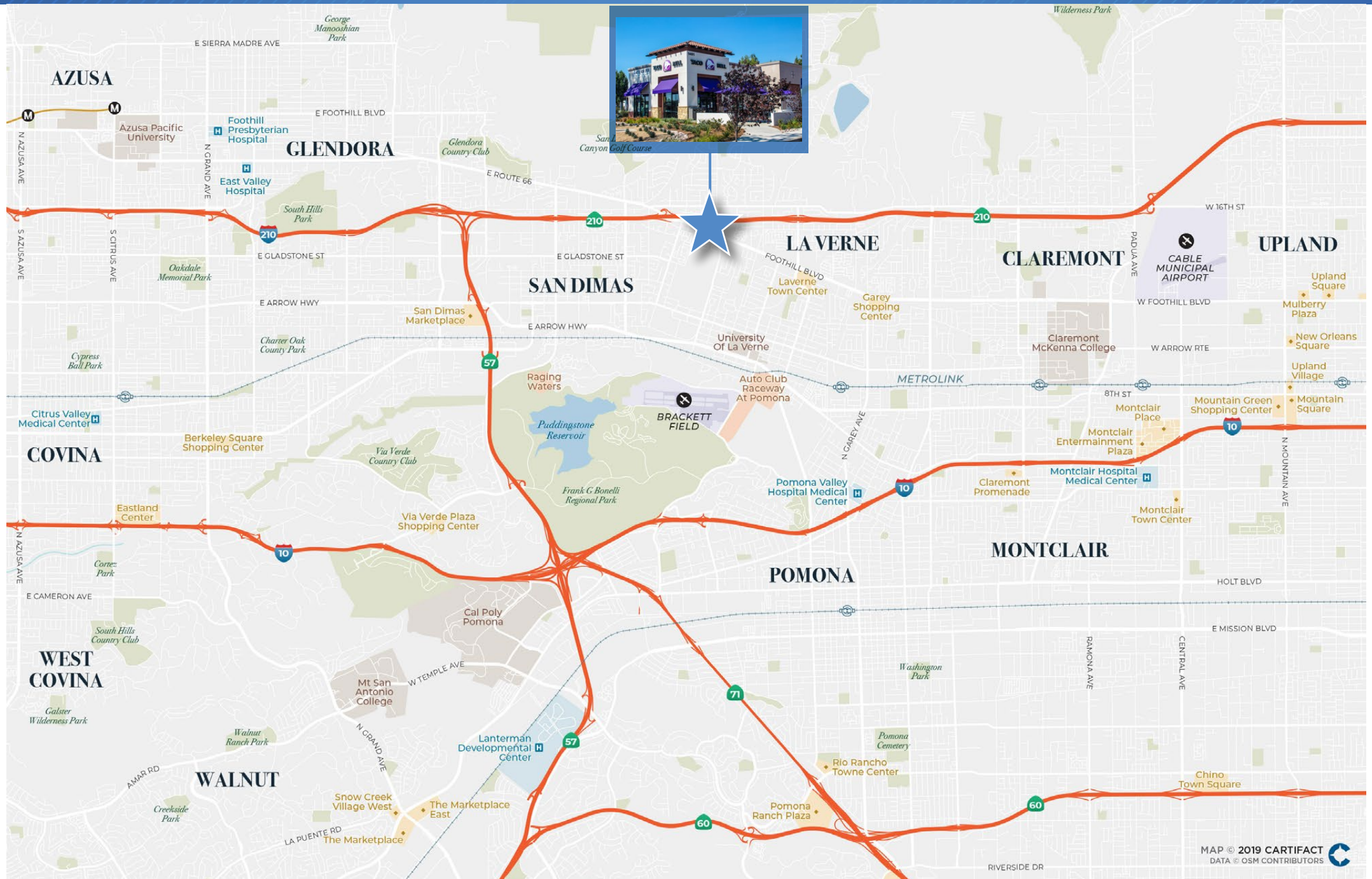


Demographics



	1 Mile	3 Miles	5 Miles
POPULATION			
2019 Total Population	14,836	86,434	272,032
2024 Total Population	15,055	88,398	277,556
2019-2024 Annual Rate	0.29%	0.45%	0.40%
Total Businesses	546	3,759	9,254
Total Employees	5,728	37,949	93,552
Total Daytime Population	15,240	91,660	259,505
2019 Median Age	46.4	41.9	35.9
HOUSEHOLDS			
2019 Households	5,545	30,572	83,744
2019 Average Household Size	2.65	2.78	3.12
2019 Housing Units	5,745	31,782	87,525
Owner Occupied Housing Units	69.6%	63.3%	59.5%
Renter Occupied Housing Units	24.9%	30.9%	63.2%
Vacant Housing Units	3.5%	3.8%	4.3%
2019 Average Home Value	\$560,178	\$632,084	\$632,731
INCOME			
2019 Household Income Base	5,545	30,571	83,742
<\$15,000	7.3%	6.5%	7.7%
\$15,000-\$24,999	7.8%	6.6%	7.0%
\$25,000-\$34,999	5.7%	5.8%	7.0%
\$35,000-\$49,999	9.2%	8.5%	10.5%
\$50,000-\$74,999	17.2%	15.8%	16.8%
\$75,000-\$99,999	15%	13.5%	13.3%
\$100,000-\$149,999	19.9%	21.6%	18.7%
\$150,000-\$199,999	9.4%	10.5%	9.4%
\$200,000+	8.5%	11.1%	9.6%
2019 Median Household Income	\$50,467	\$69,108	\$75,570
2019 Per Capita Income	\$19,395	\$29,388	\$31,710
2019 Average Household Income	\$100,025	\$111,489	\$102,581

Location Map





SINGLE TENANT ABSOLUTE NNN GROUND LEASE INVESTMENT OPPORTUNITY

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