



PAD TO  
Westowne Center



**LONG-TERM ABSOLUTE NNN GROUND LEASE | EXPERIENCED 180-UNIT OPERATOR | HUGE REPORTED UNIT-LEVEL SALES**



In Association with Scott Reid & ParaSell, Inc. | Irvine, California | A Licensed Iowa Broker #F06134000 | Licensed in AR, CA, CO, CT, DC, FL, GA, HI, ID, IL, IA, IN, KS, KY, ME, MD, MA, MI, MN, MO, MT, NC, ND, NE, NJ, NM, NY, NV, NM, NC, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WY

**OFFERING MEMORANDUM**  
WEST DES MOINES, IOWA



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## OFFERING MEMORANDUM

### WEST DES MOINES, IOWA

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# OFFERING SUMMARY

TACO BELL | PAD TO WESTOWNE CENTER



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## LOCATION

**Taco Bell (Ground Lease)**  
**1570 22nd Street**  
**West Des Moines, IA 50266**



## OFFERING SUMMARY

<b>Price:</b>	\$2,650,000
<b>Net Operating Income (NOI):</b>	\$132,490
<b>Capitalization Rate:</b>	5.00%
<b>May 2026 Net Operating Income (NOI):</b>	\$146,279
<b>May 2026 Capitalization Rate:</b>	5.52%
<b>Net Rentable Area:</b>	2,989
<b>Year Built:</b>	2012
<b>Lot Size (Acres):</b>	0.87

## LEASE TERMS (1)

<b>Guarantor:</b>	Sundance, Inc. (180+ Units)
<b>Lease Commencement: (2)</b>	5/1/2012
<b>Lease Expiration:</b>	4/30/2032
<b>Lease Term Remaining:</b>	11+ Years
<b>Lease Type:</b>	Absolute NNN Ground Lease
<b>Roof &amp; Structure:</b>	Tenant Responsibility
<b>Monthly Rent:</b>	\$11,041
<b>Annual Rent:</b>	\$132,490
<b>Rental Increases:</b>	2% Annually (May 2022)
<b>Renewal Options:</b>	Two 5-Year @ 2% Annually

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

(2) Tenant has operated within the shopping center since 1982 and relocated to a new prototype pad in 2012.



# INVESTMENT HIGHLIGHTS

TACO BELL | PAD TO WESTOWNE CENTER



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- **Single-Tenant Taco Bell Ground Lease:**

- Absolute NNN ground lease; zero landlord responsibilities
- 11+ years remaining on the initial 20-year lease
- Rare 2% annual increases
- Taco Bell has occupied space in the shopping center since 1982 and strategically relocated to the subject property (in 2012) to construct a new prototype
- Huge reported unit-level sales that are significantly above both the Taco Bell chain average and the operator's average (contact broker for more details)
- Operated and guaranteed by Sundance, Inc., one of Yum! Brands largest franchisees with over 180 stores throughout the Midwest and Canada
- Sundance's primary brand is Taco Bell, but they also own stores that offer KFC, Pizza Hut, and A&W quality food products

- **Iowa Recently Lifted All COVID-19 Restrictions on Iowa Businesses** – [Click Here to Read the ABC Article](#)

- **Favorable Drive-Thru Format:** Approximately 60%-70% of all business for quick service restaurants comes through the drive-thru; average store sales are approximately 50% greater in locations that have a drive-thru

- Taco Bell is open for business and successfully utilized its drive-thru to keep sales steady in a time when many other retailers saw a decline in sales throughout the COVID-19 pandemic



# INVESTMENT HIGHLIGHTS

## TACO BELL | PAD TO WESTOWNE CENTER



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- **Pad to High Profile Westowne Center; New 2021 Renovation Planned:**

- Westowne Center will be undergoing an exterior renovation in 2021, which will include new façades, signage, and parking lot improvements
- Floor & Decor will be moving into the 78,000 square foot anchor space by Summer 2021 under a long-term lease agreement
- Other tenants in the center include Dollar Tree, Michaels, Firestone, Jackson Hewitt, and McDonald's

- **Signalized Intersection with Excellent Freeway Accessibility:** The subject property is located at one of the premier intersections in the Des Moines metro off of Interstate 235 (123,000 cars per day) and 22nd Street (32,000 cars per day)

- **Desirable Retail Trade Area:** The subject property's trade area is one of the most sought after for retailers and restaurants in the entire state of Iowa

- Notable trade area retailers include Whole Foods, Home Depot, Target, At Home, Kohl's, Best Buy, Buy Buy Baby, Cost Plus World Market, Fresh Thyme Market, Hy-Vee, JoAnn Fabrics, Marshalls, Office Depot, T.J. Maxx, Tuesday Morning, and Ulta Beauty
- Less than one mile from Valley West Mall, a regional mall anchored by JC Penny and Von Maur

- **Dense, Affluent Demographics:** Nearly 200,000 people with average household incomes of \$98,000 within a 5-mile radius of the subject property



# WESTTOWNE CENTER RENOVATIONS

TACO BELL | PAD TO WESTTOWNE CENTER



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CONCEPT RENDERINGS



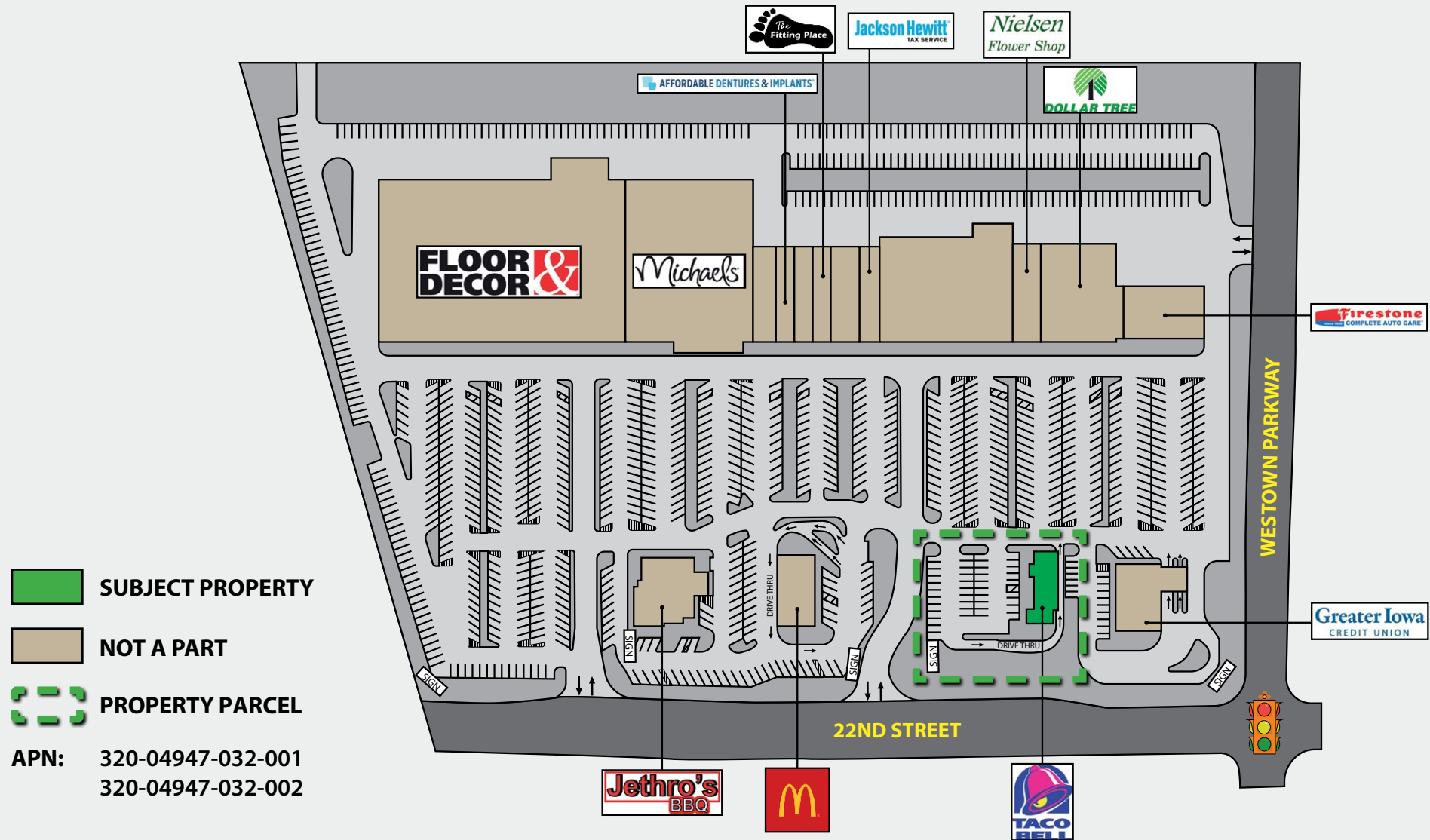
The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

# SITE PLAN / PARCEL MAP

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## SURROUNDING TENANTS

— NOT A PART —



TACO BELL | PAD TO WESTOWNE CENTER



## RESIDENTS IN THE MSA

## #5

## BEST PLACES TO LIVE IN THE U.S.

## TOP 7

## MOST RECESSION PROOF CITIES IN THE U.S.

## DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	8,694	\$84,443
3-Mile Radius	83,990	\$95,647
5-Mile Radius	196,959	\$98,198

## SUBJECT PROPERTY

## TACO BELL

## 22ND STREET

**32,000 CPD**

NEW AVENUE  
16,000 GPD

JOANN

DAVID'S BRIDAL

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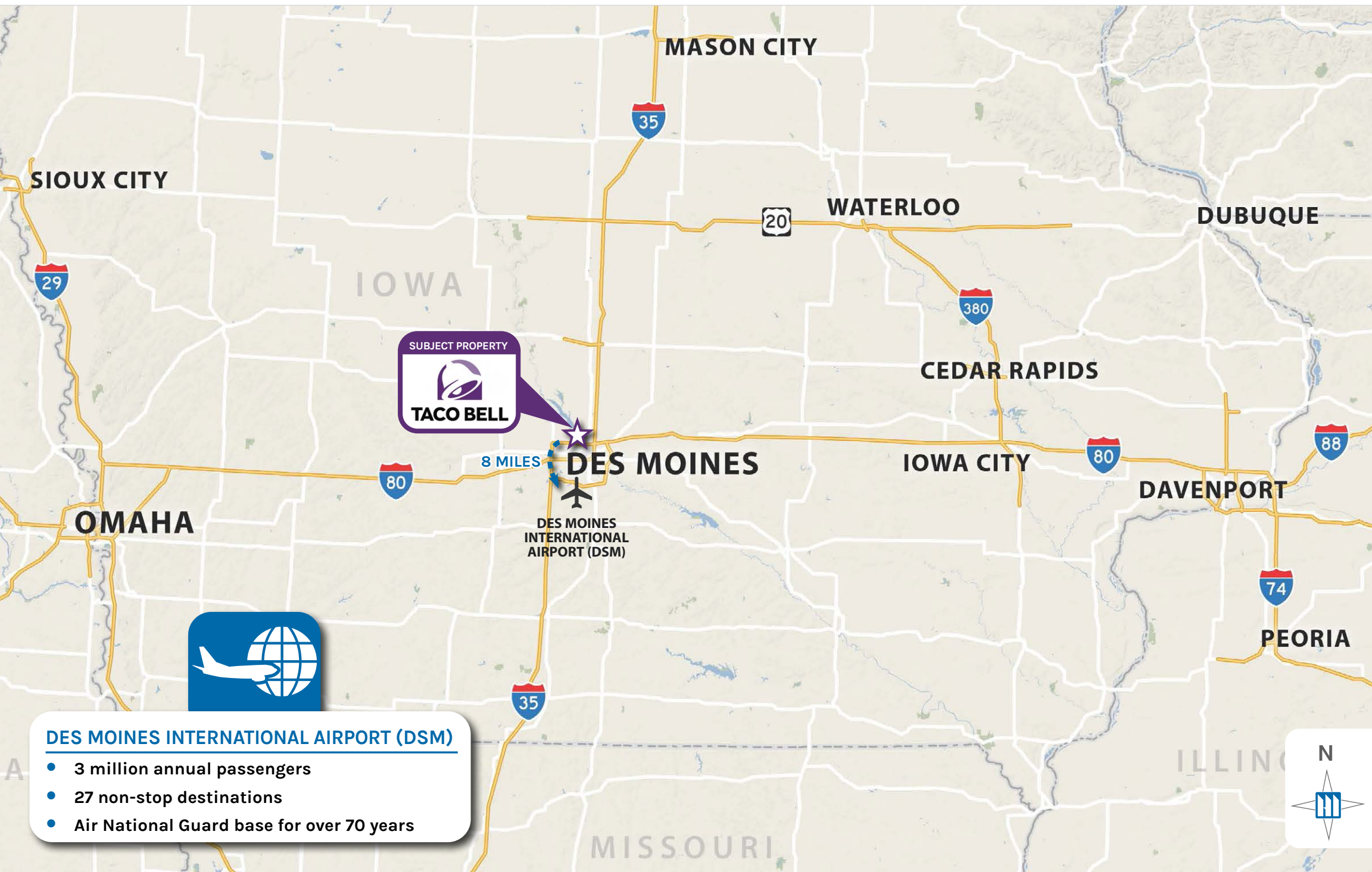


# REGIONAL MAP

TACO BELL | PAD TO WESTOWNE CENTER

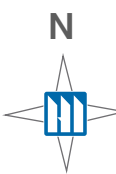


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## DES MOINES INTERNATIONAL AIRPORT (DSM)

- 3 million annual passengers
- 27 non-stop destinations
- Air National Guard base for over 70 years



# TENANT PROFILE

TACO BELL | PAD TO WESTOWNE CENTER



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Taco Bell is the nation's leading Mexican-inspired quick service restaurant, operating in over 30 countries around the world. There are currently 7,400+ Taco Bell locations that serve over 42 million customers weekly, primarily within the United States. Taco Bell opened a record number of new restaurants in 2015, added 300 new restaurants in 2016, 181 new restaurants in 2018, and has plans to add 2,000 more internationally in the next decade. The division generated \$11.7 billion in global sales in 2020. Plans for 2021 include teaming up with Beyond Meat to create an innovative new plant-based protein that will be tested in the next year. Taco Bell chose to team up with Beyond Meat as a category leader with a proven track record of attracting younger customers. Although Taco Bell has long been a destination for vegetarians, this will be the brand's first foray into plant-based meat in the U.S.

Taco Bell is a subsidiary of Yum! Brands, a company with more than 50,000 restaurants in 150 countries and territories. Yum! is ranked #496 on the Fortune 500 with revenues of over \$5.7 billion in 2019 systemwide sales, and is recognized as one of the Aon Hewitt Top Companies for Leaders in North America. The Company's restaurant brands – KFC, Pizza Hut, and Taco Bell – are the global leaders of the chicken, pizza, and Mexican-style food categories. Worldwide, the Yum! Brands system opens over 6 new restaurants per day on average, making it a leader in global retail development. In 2020, digital sales hit a record of \$17 billion, about a 45% increase over the prior year and a testament to our brands' ability to quickly meet new consumer needs. The company also added 183 net new units during the year.

## TOP HONORS

- **#5 "World's Most Admired Companies"** - Fortune Magazine (2021)
- **#4 "The QSR 50"** - QSR Magazine (2020)
- **#4 "Fastest Growing Quick-Service Restaurant Chains"** - QSR Magazine (2020)

**Company Type:** Public (NYSE: YUM)  
**Locations:** 7,427 (50,000+ Yum! Locations)  
**Website:** [www.tacobell.com](http://www.tacobell.com)



## QSR



### The value of the drive thru during COVID-19

By John Prater and Connor Olandt | September 2020

The average American will spend over \$1,200 on drive-thru food annually. The value of having a drive-thru has increased tremendously since the onset of the pandemic. The NPD Group Tuesday reported that drive-thru visits increased 26 percent in the April, May, and June quarter and represented 42 percent of all restaurant visits.

In July when more restaurants were reopened, drive-thru visits still increased 13 percent, the highest among the service modes of on-premises, carryout, and delivery, according to NPD's daily tracking of U.S. consumers' use of restaurants and other foodservice outlets.

Since the 1940s, drive-thrus continue to capitalize on convenience and quick ordering.

**QSR** [CLICK FOR ARTICLE](#)

## D Retail DIVE



### Taco Bell served 30M more cars year-over-year as drive-thru demand 'skyrocketed'

By Emma Liem Beckett | October 29, 2020

Taco Bell's total system sales grew 5% in Q3 2020, driven by same-store sales growth and net new unit growth of 3%, respectively, according to Yum Brand's investor call Thursday. The Mexican QSR now accounts for 35% of divisional operating profit, and it saw a 400-basis point increase in restaurant margins.

Yum CEO David Gibbs said on the call that Q3 drive-thru demand at the chain "skyrocketed" and that Taco Bell served over 30 million more cars at the channel year-over-year, and that drive-thru is also 17 seconds faster. simultaneously, and it has 36-foot clear heights.

**D** [CLICK FOR ARTICLE](#)



## Des Moines, Iowa

- Capital city and the most populous city in the state with 214,237 residents
- Located at the crossroads of Interstates 35 and 80; 135 miles from Omaha, 194 miles from Kansas City, and 334 miles from Chicago
- Area businesses attract talent from the 5-county metro area of more than 500,000 residents; Iowa's workforce, with more than an 80% high school graduation rate, ranks among the top 5 states
- #5 "Best Place to Live in the U.S." – U.S. News & World Report (2020)
- Industrial, commercial, financial, trade, transportation, and governmental center of the state
- Top 7 "Most Recession-Proof Cities in the U.S." – Livability (2019)

### ECONOMY

- Strong local economy with major industries that include insurance, agriculture, manufacturing, technology, education, and health care
- Top employers are Wells Fargo (14,500), UnityPoint Health (8,026), Principal Financial Group (6,500), HyVee Food Stores (6,400), Des Moines Public Schools (5,287), and Nationwide Insurance (4,525)
- Headquarters for Principal Financial Group, Meredith Corporation, Ruan Transportation, TMC Transportation, EMC Insurance Companies, and Wellmark Blue Cross Blue Shield
- Microsoft, Hewlett-Packard, and Facebook have built data-processing and logistical facilities in the Des Moines area

### DEVELOPMENTS

- **Market District** - \$750 million, 39-acre, mixed-use development to include an amphitheater, hotel, apartments and condos; planned

### EDUCATION

- Colleges and universities located in the area include Drake University, Des Moines Community College, Des Moines University, Grand View University, Mercy College of Health Sciences, and Vatterott College

### TRANSPORTATION

- **Des Moines International Airport (DSM)** - Serves nearly 3 million passengers annually; nonstop flights to 20+ popular destinations
  - DSM is an economic engine with an impact of \$644 million to the local economy, supporting 7,100 jobs

## City of Des Moines *Highlights*

**500,000+**

**RESIDENTS  
IN THE MSA**

**#5**

**BEST PLACES TO  
LIVE IN THE U.S.**

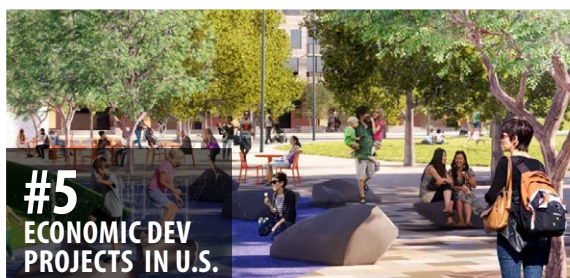
**TOP 7**

**MOST RECESSION  
PROOF CITIES IN THE U.S.**

Des Moines International Airport



Market District



Downtown Des Moines





	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
<b>Population</b>			
2024 Projection	8,779	85,941	207,444
2019 Estimate	8,694	83,990	196,959
2010 Census	8,490	80,600	181,646
2000 Census	9,112	79,201	167,113
Growth 2010-2019	2.40%	4.21%	8.43%
Growth 2019-2024	0.98%	2.32%	5.32%
<b>Households</b>			
2024 Projection	3,958	38,212	88,291
2019 Estimate	3,893	37,123	83,595
2010 Census	3,733	35,038	76,168
2000 Census	3,921	33,866	69,930
Growth 2010-2019	4.29%	5.95%	9.75%
Growth 2019-2024	1.67%	2.93%	5.62%
<b>2019 Est. Population by Single-Classification Race</b>			
White Alone	7,066	71,123	161,053
Black or African American Alone	455	4,250	13,610
American Indian and Alaska Native Alone	17	151	374
Asian Alone	483	4,241	11,916
Native Hawaiian and Other Pacific Islander Alone	2	25	98
Some Other Race Alone	420	2,100	4,510
Two or More Races	247	2,015	4,977
<b>2019 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	986	6,055	12,774
Not Hispanic or Latino	7,708	77,935	184,185
<b>2019 Est. Average Household Income</b>	<b>\$84,443</b>	<b>\$95,647</b>	<b>\$98,198</b>

# CONFIDENTIALITY AGREEMENT

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**\$7.7 BILLION**  
retail sales nationwide



**SHARED DATABASE**  
collaborative proprietary database



**GLOBEST. INFLUENCERS**  
in retail & net lease sales



**NATIONWIDE REACH**  
retail & investors across the U.S.



**\$2 BILLION IN RETAIL SOLD**  
over 400 transactions in last 36 mos.