



NET LEASE INVESTMENT OFFERING



TACO BELL (244-UNIT OPERATOR)
614 SOUTH STATE STREET
CLARKSDALE, MS 38614 (MEMPHIS MSA)



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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single tenant ground leased Taco Bell located within the Memphis MSA in Clarksdale, Mississippi. The lease includes a 20-year initial term that is triple net with zero landlord responsibilities. There are 1.75% annual rental escalations that exist in the primary term and 10% rental escalations in each of the five 5-year renewal options. Taco Bell has operated at this location since 2010, demonstrating their commitment to the site. The tenant, Pacific Bells, operates 244 Taco Bell restaurants across 8 states.

The 3,367 square foot Taco Bell is positioned along South State Street (22,000 VPD), a primary corridor that hosts Clarksdale's retailers. Big box tenants in the area include Walmart Supercenter and Kroger. Various QSR's and retailers include McDonald's, Dollar Tree, TrueValue, O'Reilly Auto Parts, Burger King, Wendy's, and more. Within close proximity is Clarksdale High School and Coahoma County RV Park which both aid in traffic along State Street.

Taco Bell is an American-based chain of fast-food restaurants originating in Irvine, California in 1962, by founder Glen Bell. Taco Bell is a subsidiary of Yum! Brands, Inc. The restaurants serve a variety of Mexican-inspired foods, that include: tacos, burritos, quesadillas, nachos, novelty and specialty items, along with a variety of "value menu" items. The tenant, Pacific Bells, has been in business since 1986. In that time, they have amassed a large number of locations and continue to grow exponentially.



INVESTMENT HIGHLIGHTS

- Positioned within the Memphis MSA – Ranked #43 in the United States for population size.
- New 20-year lease term
- NNN ground lease presents zero landlord responsibilities
- Annual rental escalations
- Taco Bell has been operating at this location since 2010
- The tenant, Pacific Bells, operates 244 restaurants in 8 states and has been in business since 1986
- Positioned along South State Street (22,000 VPD)
- Big box tenants in the area include Walmart Supercenter and Kroger
- Within close proximity is Clarksdale High School and Coahoma County RV Park which add traffic near the property



PROPERTY OVERVIEW

| | |
|-------------------------|--|
| Price: | \$1,896,391 |
| Cap Rate: | 4.60% |
| Net Operating Income: | \$87,264 |
| Tenant: | Pacific Bells, LLC (244 Unit Operator) |
| Rental Escalations: | 1.75% annual, 10% in options |
| Lease Term: | 20-year |
| Rent Commencement Date: | 9/7/2021 |
| Lease Expiration Date: | 8/31/2041 |
| Renewal Options: | Five 5-year |
| Year Built: | 2010 |
| Lease Type: | NNN – Ground Lease |
| Building Size: | 3,367 SF |
| Lot Size: | 1.3 AC |











DEMOGRAPHICS

POPULATION

| | 1-Mile | 3-Mile | 5-Mile |
|-------------------|--------|--------|--------|
| Total Population: | 4,420 | 17,745 | 19,109 |
| Total Households: | 1,583 | 6,512 | 6,937 |

INCOME

| | 1-Mile | 3-Mile | 5-Mile |
|---------------------------|----------|----------|----------|
| Average Household Income: | \$41,195 | \$45,901 | \$47,496 |



CITY OF GREENWOOD, MISSISSIPPI

Clarksdale lies at the northern end of the Mississippi Delta region of the state, noted for its rich soil, and the city is a processing and distribution centre for the surrounding agricultural region (cotton, soybeans, rice, wheat, sorghum, and peanuts [groundnuts]). Manufactures include rubber products, mobile homes, cabinets, farm equipment, and wire. Tourism is also important (especially since the mid-1990s, when gambling casinos were established). Sunflower Landing, 14 miles (23 km) west, is said to be the spot where the Spanish explorer Hernando de Soto discovered the Mississippi River in 1541. Clarksdale was home to several famous blues musicians, notably John Lee Hooker and Muddy Waters; the Delta Blues Museum is located there, and the Sunflower River Blues Festival is held in the city each August. Other annual events include the Delta Jubilee in June and the Tennessee Williams Festival in October..

MEMPHIS MSA

The Memphis–Forrest City Combined Statistical Area, TN–MS–AR (CSA) is the commercial and cultural hub of The Mid-South or Ark-Miss-Tenn. The census-defined combined statistical area covers ten counties in three states – Tennessee, Mississippi, and Arkansas. As of census 2010 the MSA had a population of 1,324,108. The Forrest City Micropolitan area was added to the Memphis area in 2012 to form the Memphis–Forrest City Combined Statistical area and had a population of 1,369,548 according to census estimates. The greater Mid-South area as a whole has a population of 2.4 million according to 2013 census estimates. This area is covered by Memphis local news channels and includes the Missouri Bootheel, Northeast Arkansas, West Tennessee, and North Mississippi.



TACO BELL

Taco Bell is an American-based chain of fast-food restaurants originating in Irvine, California in 1962, by founder Glen Bell. Taco Bell is a subsidiary of Yum! Brands, Inc. The restaurants serve a variety of Mexican-inspired foods, that include tacos, burritos, quesadillas, nachos, novelty and specialty items, along with a variety of “value menu” items. As of 2018, Taco Bell serves over two billion customers each year, at 7,072 restaurants, more than 93 percent of which are owned and operated by independent franchisees and licensees.

PepsiCo purchased Taco Bell in 1978, and later spun off its restaurant’s division as Tricon Global Restaurants, which later changed its name to Yum! Brands.

| | |
|----------------------|---------------------------|
| Company Website: | www.tacobell.com |
| Founded: | 1962 |
| Employees: | 40,000+ |
| Number of Locations: | 70,072 |
| Headquarters: | Irvine, CA |
| Type: | Subsidiary of Yum! Brands |



PACIFIC BELLS, LLC

Pacific Bells was formed in 1986 by Dennis and Anna January. They opened their first store in Tualatin, Oregon, a store that is still open to this day. A few years later, in 1989, Tom Cook partnered with Dennis and Anna with the goal to build and operate multiple Taco Bell restaurants in the Pacific Northwest. The next few years the company grew to 20 stores. Then, in 1995, Pacific Bells acquired 53 stores in Ohio from the Taco Bell Corporation. The next wave of significant Pacific Bells growth started in 2011 with an acquisition of 11 stores in the Seattle WA area. 2015 was another milestone in Pacific Bells history as the company welcomed a strategic growth partner, Partner’s Group, in addition to acquiring another 25 Taco Bell stores in Wisconsin. With Partner’s Group support, the pace of both organic growth and acquisition activity is increasing rapidly. Pacific Bells acquired 40 Taco Bell stores in 2016, which were located in Mississippi and Tennessee. Then, in late 2017, 56 Taco Bell stores were acquired in central California. As of today, Pacific Bells operates 244 restaurants in 8 states (Alabama, California, Mississippi, Ohio, Oregon, Tennessee, Washington, and Wisconsin). The owners are also a major franchisee of Buffalo Wild Wings.

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The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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