Taco Bell Ground Lease – Mesquite (Dallas), Texas

SUBJECT PROPERTY

HighStreet NET LEASE GROUP
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Taco Bell Ground Lease– Mesquite (Dallas), Texas
Investment Summary

OFFERING SUMMARY

PRICE	$1,815,000
COST/ BUILDING SF	$616
COST/ LOT SF	$82
NOI	$72,600
CAP RATE	4.00%

PROPERTY SUMMARY

ADDRESS	2114 N. Galloway Avenue Mesquite, Texas 75150
COUNTY	Dallas
BUILDING AREA	2,944 SF
LAND AREA	22,046 SF
BUILT	2002

RENT ROLL

	SIZE		MONTHLY RENT			LEASE TERM				
TENANT NAME	SQUARE FOOTAGE	% OF PROPERTY	MONTHLY RENT	BASE $ / SF	% OF TOTAL	INCREASE DATES	RENTAL INCREASE	LEASE BEGIN	LEASE END	OPTIONS
Taco Bell of America, Inc.	2,944	100%	$6,050.00	$2.05	100%	8/1/17 Every 5 Years	10%	8/19/02	8/18/32	(3) x 5 year
OCCUPIED SF	2,944	100%	$6,050.00	$2.05	100%					
VACANT SF	0	0.00%	0	0	0.00%					
TOTAL / WTD AVG	2,944	100%	$6,050.00	$2.05	100%					

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Investment Overview

- *Taco Bell (Yum!) corporate absolute net ground lease. S&P credit rating of BBB stable.*
- *Tenant has been at location since 1985. Demolished and completely rebuilt store in 2002.*
- *Zero Landlord responsibilities.*
- *Consistently ranked as one of the highest volume stores in Dallas/Fort Worth Metroplex area.*
- *Tenant recently extended lease early through 2032.*
- *Rent bumps 10% every 5 years, with next increase scheduled for August 2017. Average return over remaining primary term of 4.71%. Increases to 5.51% with renewal options through August 2047.*
- *High traffic counts on Galloway in excess of 22,000 cars per day.*
- *Dense population within immediate 1 mile radius. Ideal income demographics for Tenant. Poteet High School ¾ mile to the north with 1,700+ students.*

DEMOGRAPHICS	1 - MILE	3 - MILE	5 - MILE
POPULATION ESTIMATE	18,465	92,311	292,703
AVERAGE H.H. INCOME	$58,381	$61,735	$57,676

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Aerial Photo

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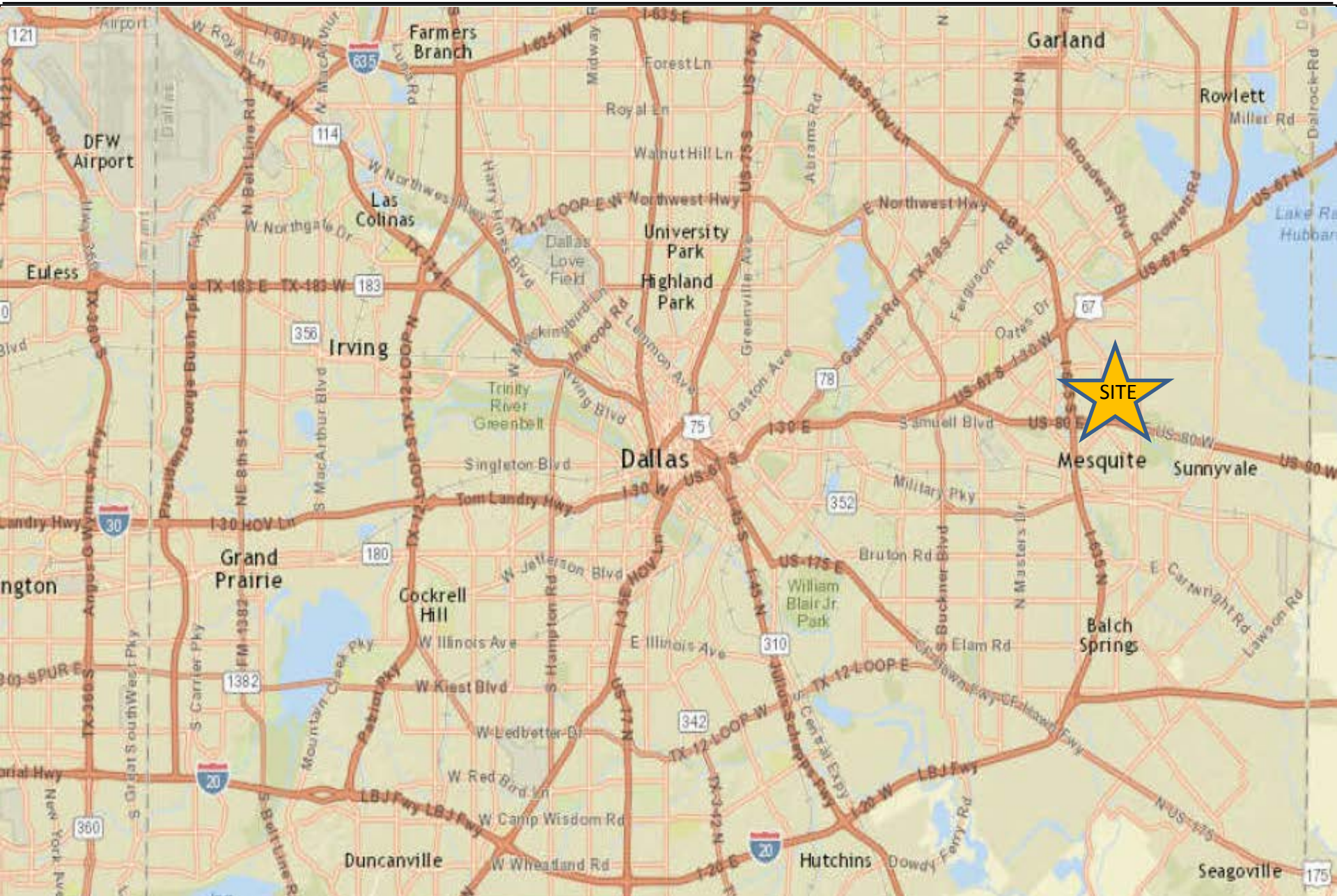
Location Map



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Competition Map

Taco Bell was founded by Glen Bell in Downey, California in 1962. The restaurant began franchising in 1964 and grew rapidly, expanding to 100 locations by 1967. Taco Bell went public in 1970, and PepsiCo purchased the company from Glen Bell in 1978. There are currently over 6,500 Taco Bell locations throughout the U.S. and a variety of other countries throughout the world. The corporate headquarters are located in Irvine, California.

Taco Bell Corp. is a subsidiary of Yum! Brands, which is the largest fast food company in the world based on total units. Yum! operates the licensed brands of Taco Bell, KFC, Pizza Hut and WingStreet, and has over 40,000 sites throughout 125 countries. It is a Fortune 500 company with annual sales in excess of $13 Billion.

Taco Bell and its more than 350 franchisees and 150,000 employees proudly serve over 36 million customers every week.

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Taco Bell Ground Lease – Mesquite (Dallas), Texas
Lease Abstract

LEASE SUMMARY

LEASE TERM	18 Years Remaining
TENANT	Taco Bell of America, Inc.
PREMISES	2,944 SF building on approximately 0.51 acres of land. Parcel #380925100004B0000
LEASE COMMENCEMENT	August 19, 2002
LEASE EXPIRATION	August 18, 2032
RENEWAL OPTIONS	(3) x 5 year
INCREASE DATES	August 19, 2017 and every 5 years thereafter
LEASE TYPE	Absolute Net
INSURANCE	Paid by Tenant
PARKING LOT MAINTENANCE	Paid by Tenant
PROPERTY TAXES	Paid by Tenant
ROOF & STRUCTURE	Paid by Tenant
UTILITIES	Paid by Tenant

ESTIMATED OPERATING INFORMATION

INCOME	
GROSS POTENTIAL RENT	$72,600
EXPENSE REIMBURSEMENT	NN
EFFECTIVE GROSS INCOME	$72,600
LESS EXPENSES	NN
NET OPERATING INCOME	$72,600

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The Dallas/Fort Worth Metroplex is the 4th largest metro area in the U.S. with a population of more than 6,800,000. In 2013 the Metroplex led the nation with the largest year over year increase in employment, and is ranked as the 4th largest employment center in the country, trailing only New York, Los Angeles, and Chicago. The population is projected to grow 1.5% annually through 2018. Dallas/Fort Worth is home to 20 Fortune 500 companies, including ExxonMobil, AT&T, American Airlines, Texas Instruments, and Kimberly-Clark.

The Metroplex population and economy will continue to thrive due to a low cost of living, temperate climate, ideal location, and pro-business environment afforded to its residents. Dallas/Fort Worth is home to professional franchises in all four major sports, world renowned museums, nationally recognized healthcare centers, and institutions of higher learning that include Southern Methodist University, Texas Christian University, The University of Texas at Dallas, and the University of Texas at Arlington.

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CONFIDENTIALITY AGREEMENT

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