

# Taco Bell Calera (Birmingham MSA)

CALERA, AL



**Marcus & Millichap**  
Real Estate Investment Services

---

Investment Sales

Financing

Research

Advisory Services

---

**OFFERING MEMORANDUM**

# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure 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. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap 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.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS  
& MILLICHAP AGENT FOR MORE DETAILS.

# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.**

# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## TABLE OF CONTENTS

|           |                                |
|-----------|--------------------------------|
| Section 1 | PRICING AND FINANCIAL ANALYSIS |
| Section 2 | PROPERTY DESCRIPTION           |
| Section 3 | DEMOGRAPHIC ANALYSIS           |

PRICING AND FINANCIAL ANALYSIS

# Taco Bell Calera (Birmingham MSA) CALERA, AL

### FINANCIAL OVERVIEW

#### Location

121 Supercenter Drive  
Calera, AL 35040

|                      |                 |
|----------------------|-----------------|
| Price                | \$1,600,000     |
| Down Payment         | 30% / \$480,000 |
| Rentable Square Feet | 2,500           |
| Price/SF             | \$640.00        |
| CAP Rate             | 6.74%           |
| Year Built           | 2003            |
| Lot Size             | .65 +/- Acres   |
| Type of Ownership    | Fee Simple      |

#### Tenant Summary

|                       |                                 |
|-----------------------|---------------------------------|
| Tenant Trade Name     | Taco Bell                       |
| Ownership             | Private                         |
| Tenant                | Tacala LLC Franchisee           |
| Lease Guarantor       | Franchisee Guarantee            |
| Lease Type            | Triple Net (NNN)                |
| Roof and Structure    | Tenant Responsible              |
| Lease Term            | 20 Years                        |
| Lease Commencement    | 10/04/2003                      |
| Rent Commencement     | 10/04/2013                      |
| Lease Expiration Date | 10/03/2023                      |
| Term Remaining on     | 10+ Years                       |
| Increases             | 10% Every 5 Years               |
| Options               | Three (3) Five (5) Year Options |

#### Financing

##### FIRST TRUST DEED

|               |               |
|---------------|---------------|
| Loan Amount   | \$1,120,000   |
| Loan Type     | Proposed New  |
| Amortization  | 20 Years      |
| Program       | 15-20 Year Am |
| Loan to Value | 70%           |

Loan information is time sensitive and subject to change.  
Contact your local Marcus & Millichap Capital Corporation representative.

#### Annualized Operating Data

| Rent Increases                        | Annual                    | Monthly          |
|---------------------------------------|---------------------------|------------------|
| Based on October 4 2013 Rent Increase | \$107,907.84              | \$8,992.32       |
| October 4 2018 Increase               | \$118,698.60              | \$9,891.55       |
| Base Rent (\$43.16/SF)                |                           | \$107,908        |
| Base Rent Growth Rate<br>Year 5       |                           | 10.00%           |
| <b>Net Operating Income</b>           |                           | <b>\$107,908</b> |
| Net Cash Flow After Debt Service      | 22.48% / \$107,908        |                  |
| <b>Total Return</b>                   | <b>22.48% / \$107,908</b> |                  |

NOI is based on a rent increase with a commencement date of October 4, 2013

### TENANT OVERVIEW

|                            |  |
|----------------------------|--|
| Property Name              | Taco Bell Calera (Birmingham MSA)                                      |
| Property Address           | 121 Supercenter Drive<br>Calera, AL 35040                              |
| Property Type              | Net Leased Restaurant Fast Food  |
| Rentable Square Feet       | 2,500  |
| Tenant Trade Name          | Taco Bell  |
| Ownership                  | Private  |
| Tenant                     | Tacala LLC Franchisee  |
| Lease Guarantor            | Franchisee Guarantee<br>500 Million in Capital<br>Franchisee Guarantee |
| Lease Commencement Date    | 10/04/2003   |
| Rent Commencement Date     | 10/04/2013   |
| Lease Expiration Date      | 10/03/2023   |
| Term Remaining on Lease    | 10+ Years  |
| Lease Type                 | Triple Net (NNN)   |
| Roof and Structure         | Tenant Responsible   |
| Lease Term                 | 20 Years   |
| Increases                  | 10% every 5 years<br>10% Every 5 Years                                 |
| Options to Renew           | Three (3) Five (5) Year Options  |
| No. of Locations           | 225 Units  |
| Headquartered              | Birmingham Alabama   |
| Web Site                   | www.tacala.com   |
| <b>Franchisee Profile:</b> |  |
| Years in the Business      | 23   |
| Other Concepts Owned       | Sonic  |

This Taco Bell is operated by Tacala LLC. Tacala is one of the the largest operators of Taco Bells in the country. At the end of 2012, Altamont Capital Partners, a private equity firm based in the San Francisco Bay Area, acquired majority ownership in Tacala. Altamont selected Tacala as their first investment in the restaurant industry based on the strong company leadership which has remained in place, as well as the company's proven track record. Altamont has \$500 million of capital under management and is focused on investing in middle market businesses where it can partner with leading management teams to help them reach their full potential. Their principals have significant experience building business success stories across a range of industries, including financial services, consumer/retail, industrials, healthcare and business services.

PROPERTY DESCRIPTION

**Taco Bell Calera (Birmingham**  
**MSA)**  
CALERA, AL



## INVESTMENT OVERVIEW

### Investment Highlights

- Operated by TACALA
- 10% Rent bumps every five years
- 10+ Years remaining on initial term
- NNN
- Outparcel to Walmart Super Center
- Close to major interstate
- Fastest growing County in the State of Alabama
- Strong sales growth year over year



Marcus and Millichap is pleased to present this NNN free standing Taco Bell operated by Tacala LLC. Tacala is one of the largest operators of Taco Bells in the country, primarily focused in the southeast and Missouri. The remaining base term of the lease expires on October 3rd, 2023. There are three, five-year options to extend the lease, which includes 10% fixed increases every 5 years.

This is a "Bold Choice" design which is Taco Bell's latest design concept. Situated on an outparcel to Walmart Super center which draws traffic from the surrounding areas and is adjacent to I-65. There is a new Publix center within 1/4 of a mile of subject property. Located in Shelby County which continues to be one of the fastest growing counties in the country.

YUM Brands, the franchisor, is the world's largest restaurant company with over 35,000 stores in 110 countries and with more than \$12.6 billion in worldwide revenues in 2011. Taco Bell is the nation's fifth largest QSR and dominates the Mexican segment. Taco Bell generated sales of \$6.8 Billion in 2011.

This offering is a great opportunity for an investor to acquire a management free asset with an attractive yield from one of the largest and most experienced operators in the country.

### PROPERTY SUMMARY

#### The Offering

|                          |   |
|--------------------------|---|
| Property                 | Taco Bell Calera (Birmingham MSA)         |
| Property Address         | 121 Supercenter Drive<br>Calera, AL 35040 |
| Assessor's Parcel Number | 282-040-001-012.005                       |
| Zoning                   | Commercial                                |

#### Site Description

|                      |               |
|----------------------|---------------|
| Year Built           | 2003          |
| Rentable Square Feet | 2,500         |
| Lot Size             | .65 +/- Acres |
| Type of Ownership    | Fee Simple    |

# Taco Bell Calera (Birmingham MSA)

CALERA, AL

PROPERTY DESCRIPTION

## PROPERTY PHOTOS



# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## PROPERTY DESCRIPTION



Local Map

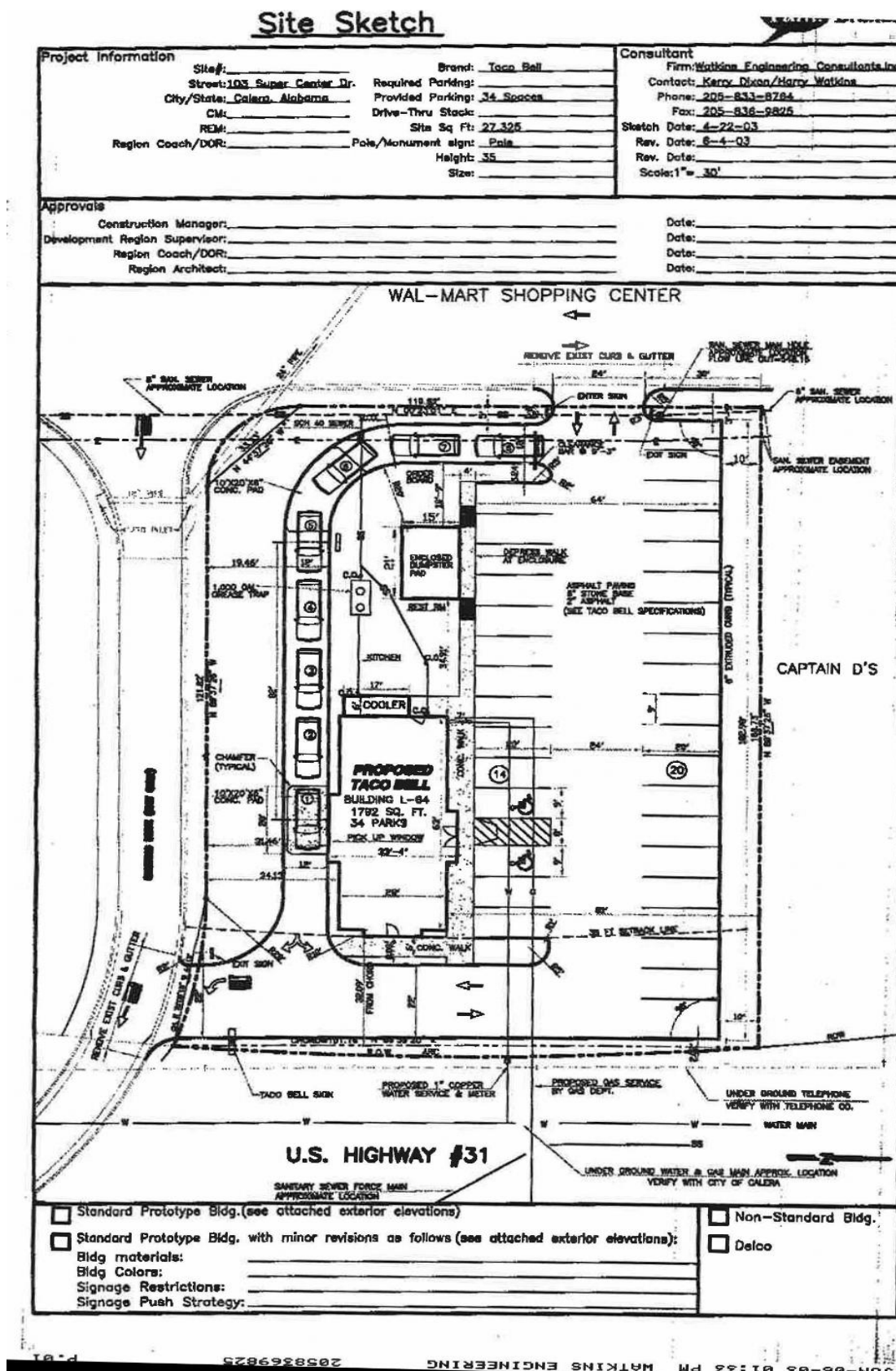


Regional Map





## SITE PLAN

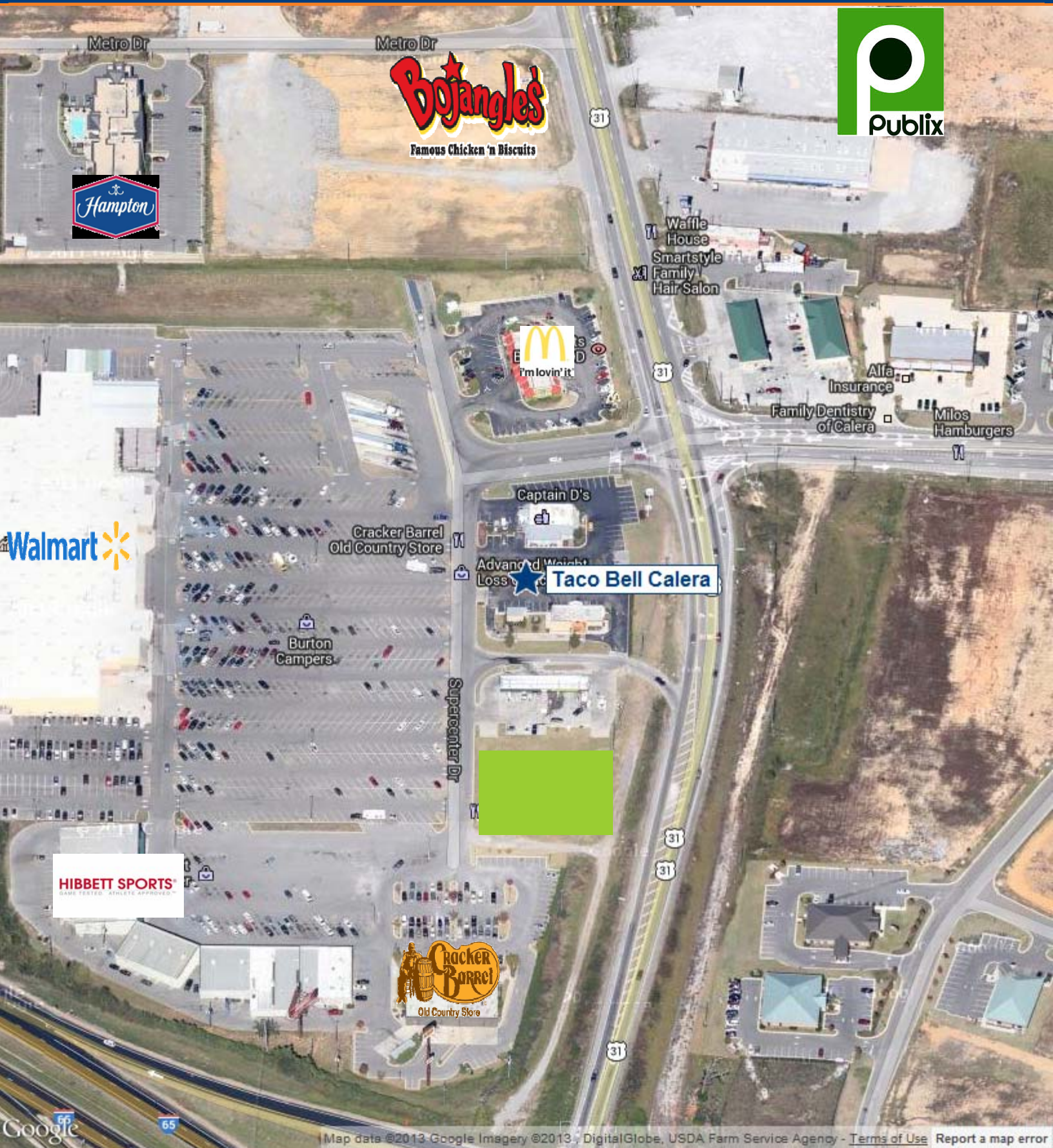




# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## PROPERTY DESCRIPTION



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services of Atlanta, Inc. © 2013 Marcus & Millichap U0700011

Marcus & Millichap  
Real Estate Investment Services

## DEMOGRAPHIC ANALYSIS

# Taco Bell Calera (Birmingham MSA) CALERA, AL

### DEMOGRAPHIC REPORT

|                                    | 1 Mile   | 3 Miles  | 5 Miles   |
|------------------------------------|----------|----------|-----------|
| 2000 Population                    | 415      | 4,724    | 9,751     |
| 2010 Population                    | 598      | 10,507   | 18,662    |
| 2012 Population                    | 620      | 10,738   | 19,189    |
| 2017 Population                    | 685      | 12,743   | 22,290    |
| 2000 Households                    | 164      | 1,782    | 3,618     |
| 2010 Households                    | 239      | 4,154    | 7,169     |
| 2012 Households                    | 247      | 4,233    | 7,352     |
| 2017 Households                    | 279      | 5,130    | 8,691     |
| 2012 Average Household Size        | 2.59     | 2.62     | 2.62      |
| 2012 Daytime Population            | 550      | 3,191    | 6,289     |
| 2000 Median Housing Value          | \$97,822 | \$94,161 | \$102,704 |
| 2000 Owner Occupied Housing Units  | 78.66%   | 77.62%   | 75.99%    |
| 2000 Renter Occupied Housing Units | 11.66%   | 14.39%   | 15.62%    |
| 2000 Vacant                        | 10.76%   | 9.55%    | 9.00%     |
| 2012 Owner Occupied Housing Units  | 72.16%   | 78.61%   | 76.69%    |
| 2012 Renter Occupied Housing Units | 20.65%   | 14.37%   | 15.83%    |
| 2012 Vacant                        | 7.20%    | 7.01%    | 7.47%     |
| 2017 Owner Occupied Housing Units  | 71.20%   | 78.71%   | 76.89%    |
| 2017 Renter Occupied Housing Units | 21.42%   | 14.74%   | 15.97%    |
| 2017 Vacant                        | 7.38%    | 6.56%    | 7.14%     |
| \$ 0 - \$14,999                    | 5.0%     | 6.3%     | 7.8%      |
| \$ 15,000 - \$24,999               | 6.6%     | 7.5%     | 8.0%      |
| \$ 25,000 - \$34,999               | 10.6%    | 10.0%    | 10.6%     |
| \$ 35,000 - \$49,999               | 11.3%    | 11.9%    | 11.6%     |
| \$ 50,000 - \$74,999               | 19.1%    | 21.5%    | 21.3%     |
| \$ 75,000 - \$99,999               | 16.5%    | 18.0%    | 16.4%     |
| \$100,000 - \$124,999              | 15.3%    | 12.6%    | 12.5%     |
| \$125,000 - \$149,999              | 4.8%     | 5.6%     | 5.4%      |
| \$150,000 - \$199,999              | 4.5%     | 3.7%     | 3.7%      |
| \$200,000 - \$249,999              | 2.5%     | 1.2%     | 1.0%      |
| \$250,000 +                        | 3.6%     | 1.8%     | 1.8%      |
| 2012 Median Household Income       | \$71,610 | \$66,124 | \$63,674  |
| 2012 Per Capita Income             | \$37,193 | \$31,564 | \$29,630  |
| 2012 Average Household Income      | \$93,509 | \$80,074 | \$77,229  |

Demographic data © 2012 by Experian.



## SUMMARY REPORT

### Geography: 5 Miles

#### Population

In 2012, the population in your selected geography was 19,189 . The population has changed by 96.78% since 2000. It is estimated that the population in your area will be 22,290 five years from now, which represents a change of 16.15% from the current year. The current population is 48.9% male and 51.0% female. The median age of the population in your area is 34.0 , compare this to the U.S. average which is 37. The population density in your area is 222.09 people per square mile.

#### Households

There are currently 7,352 households in your selected geography. The number of households has changed by 103.20% since 2000. It is estimated that the number of households in your area will be 8,691 five years from now, which represents a change of 18.21% from the current year. The average household size in your area is 2.62 persons.

#### Income

In 2012, the median household income for your selected geography is \$63,674 , compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 56.95% since 2000. It is estimated that the median household income in your area will be \$75,215 five years from now, which represents a change of 18.12% from the current year.

The current year per capita income in your area is \$29,630 , compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$77,229 , compare this to the U.S. average which is \$75,373.

#### Race & Ethnicity

The current year racial makeup of your selected area is as follows: 76.59% White, 17.35% African American, 0.24% Native American and 0.57% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 6.61% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

#### Housing

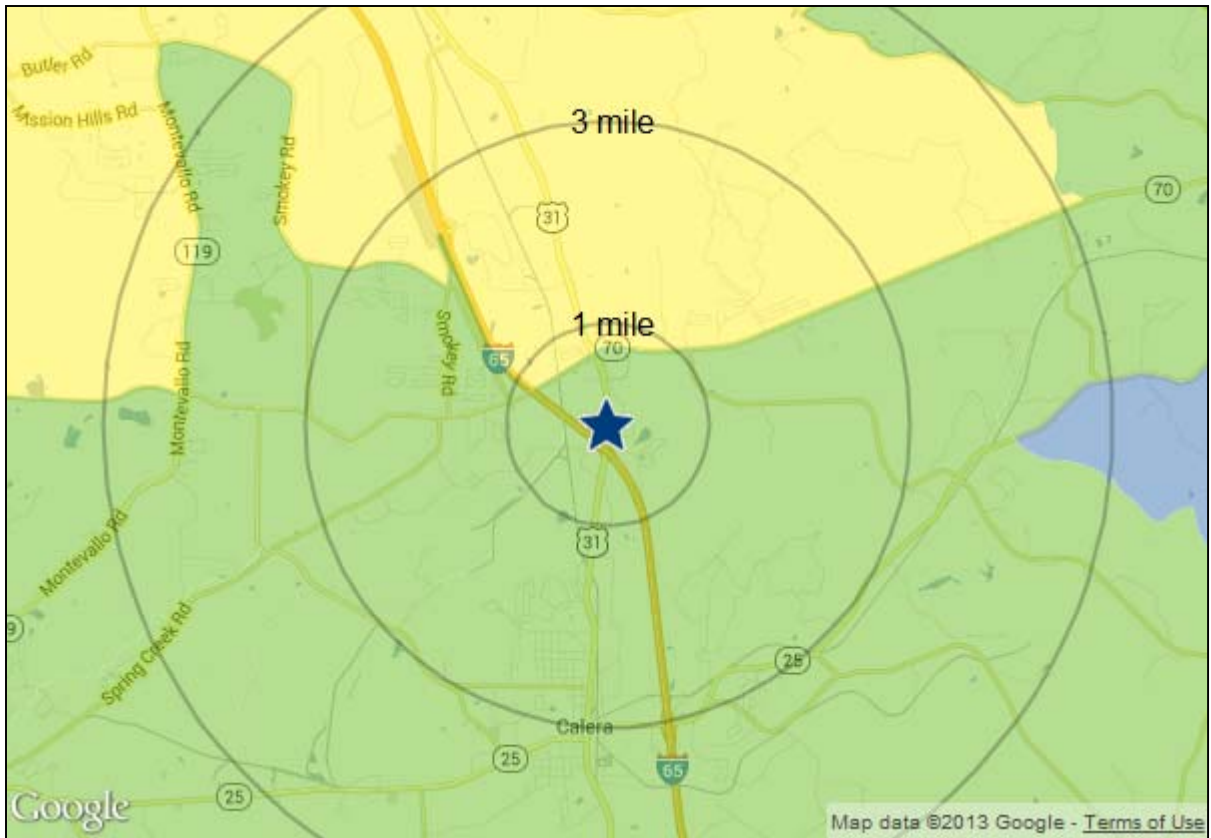
The median housing value in your area was \$102,704 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 3,020 owner occupied housing units in your area and there were 621 renter occupied housing units in your area. The median rent at the time was \$349 .

#### Employment

In 2012, there are 6,289 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 55.6% of employees are employed in white-collar occupations in this geography, and 44.3% are employed in blue-collar occupations. In 2012, unemployment in this area is 3.50% . In 2000, the median time traveled to work was 24.2 minutes.

Demographic data © 2012 by Experian.

## AVERAGE HOUSEHOLD INCOME



Demographic data © 2012 by Experian.

### Average Household Income

| Theme         | Low       | High      |
|---------------|-----------|-----------|
| Low           | less than | \$29,500  |
| Below Average | \$29,500  | \$48,500  |
| Average       | \$48,500  | \$80,000  |
| Above Average | \$80,000  | \$132,500 |
| High          | \$132,500 | or more   |

Average income of all the people 15 years and older occupying a single housing unit.

# Taco Bell Calera (Birmingham MSA)

CALERA, AL

## OFFERING MEMORANDUM

**Presented By:**

Nathan Gustavson  
Senior Associate  
San Francisco Office  
License: CA: 01898316  
Tel: (415)625-2176  
Fax: (415)963-3010

Nathan.Gustavson@marcusmillichap.com  
[www.marcusmillichap.com/NathanGustavson](http://www.marcusmillichap.com/NathanGustavson)

Eddie Greenhalgh  
Broker  
License: AL: 00008-8298  
Tel: (205)747-3700  
Fax: (205)747-3710

Offices Nationwide  
[www.MarcusMillichap.com](http://www.MarcusMillichap.com)

**Marcus & Millichap**  
Real Estate Investment Services