



# TACO BELL

**CORPORATE GROUND LEASE QUICK SERVICE RESTAURANT**

**MIDLAND, MI**



**CAPITAL PACIFIC**

# Contact the team

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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. Buyer must verify the information and bears all risk for any inaccuracies.





## TACO BELL

1810 S SAGINAW RD, MIDLAND, MI 48640 

**\$1,131,000**

**PRICE**

**5.00%**

**CAP**

NOI:

**\$56,568**

PRICE/SF:

**\$38.20**

LAND AREA:

**29,610 SF**

LEASE TYPE:

**GROUND LEASE**

LEASE TERM:

**10 YEARS REMAINING**

YEAR BUILT:

**2005**

YEAR REMODELED:

**2018**

**BUILDING WAS REMODELED IN 2018**

# Investment Highlights



## THE OFFERING

The offering is a ground leased Taco Bell with approximately 10 years remaining. There are minimal landlord maintenance and expense responsibilities, allowing for passive long-term income. The tenant has three 5-year options with scheduled rent increases.

The subject property is a quick service restaurant with drive-thru, a pad to a power shopping center. The shopping center includes a great mix of service based and daily needs options. The building was remodeled in 2018. The intersection of E Patrick Rd and S Saginaw Rd sees combined traffic counts of over 27,000 VPD in an affluent area with household incomes exceeding \$87,000 within a 3-mile radius. The subject property is conveniently located in the center of Michigan, just 15 minutes away from MBS International Airport.

## HIGHLIGHTS

- **Building remodeled 2018**
- **Corporate Lease Tenant: Taco Bell of America, LLC**
- **Ground Lease with approximately ten years remaining**
- **Tenant recently exercised option through 2030**
- **Tenant pays below market rents**

## DESIRABLE LOCATION

- **Affluent area: Average household incomes exceeding \$87,000 within 3-miles**
- **15 minutes away from MBS International Airport**

# Income & Expense

<b>PRICE</b>		<b>\$1,131,000</b>
Price Per Square Foot:		<b>\$38.20</b>
Capitalization Rate:		<b>5.00%</b>
Total Rentable Area (SF):		29,610
<b>STABILIZED INCOME</b>	<b>PER SQUARE FOOT</b>	
Scheduled Rent	\$1.91	\$56,568
Effective Gross Income	\$1.91	\$56,568
<b>LESS</b>	<b>PER SQUARE FOOT</b>	
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
<b>EQUALS NET OPERATING INCOME</b>		<b>\$56,568</b>



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# Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY		
TENANT NAME	SQ. FT.	YEARS		CURRENT RENT	MONTHLY RENT	YEARLY RENT
Taco Bell Ground Lease	29,610	<b>03/01/05</b>	<b>02/28/30</b>	\$56,568	\$4,285.42	\$51,425.04
	<i>Increase</i>	03/01/20	02/28/25		<b>\$4,713.96</b>	<b>\$56,567.52</b>
<i>Corporate Lease</i>	<i>Increase</i>	03/01/25	02/28/30		\$5,185.36	\$62,224.32
	<i>Option 2</i>	03/01/30	02/28/35		\$5,703.90	\$68,446.80
	<i>Option 3</i>	03/01/35	02/28/40		\$6,274.29	\$75,291.48
	<i>Option 4</i>	03/01/40	02/28/45		\$6,901.72	\$82,820.64
<b>TOTALS:</b>	<b>29,610</b>			<b>\$56,567.52</b>	<b>\$4,713.96</b>	<b>\$56,567.52</b>

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# Lease Abstract



## TACO BELL RENT ROLL

### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
03/01/05-02/28/25	\$4,713.96	\$56,567.52

### INCREASE

DATE RANGE	MONTHLY RENT	ANNUAL RENT
03/01/25-02/28/30	\$5,185.56	\$62,224.32

### OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#2. 03/01/30-02/28/35	\$5,703.90	\$68,446.80
#3. 03/01/35-02/28/40	\$6,274.29	\$75,291.48
#4. 03/01/40-02/28/45	\$6,901.72	\$82,820.64

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

## PREMISES & TERM

### TENANT

Taco Bell of America, LLC, a Delaware limited liability company (Corporate)

### LEASE TYPE

Ground Lease

### LEASE TERM

25 Years

### LEASE COMMENCEMENT

March 1, 2005

### LEASE TERMINATION

February 28, 2030

## EXPENSES

### TENANT'S OBLIGATIONS

Tenant maintains premises in good condition and repair at sole expense, ordinary wear and tear excepted

### LANDLORD'S OBLIGATIONS

Ensure quiet enjoyment by tenant

### TAXES

Tenant pays direct

### INSURANCE

Tenant maintains at expense

### UTILITIES

Tenant directly contracts third party providers and pays all utilities

### CAM

N/A

## LEASE PROVISIONS

### ASSIGNMENT/SUBLETTING

No consent required.

### EARLY TERMINATION

Expired (needed to be before rent commencement date).

### EXCLUSIVE USE

Mexican food, chicken, or pizza.

### RIGHT OF FIRST OFFER

Landlord shall notify tenant terms of Offer, tenant has 45 days to accept.

### ESTOPPELS

Landlord and tenant shall deliver estoppel certificates within 15 days written request from either party.

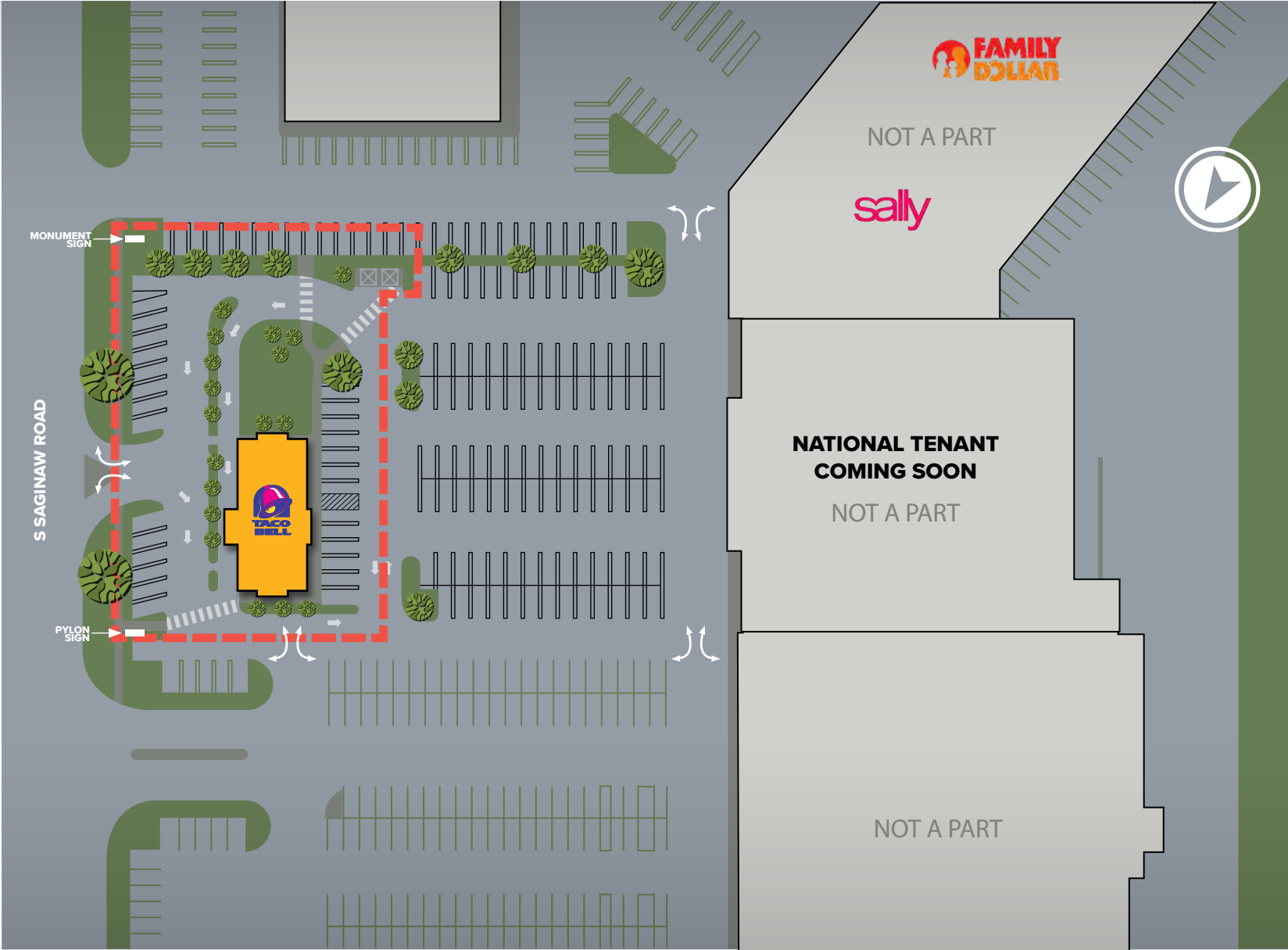
### SALES REPORTING

No.

# Site Plan

**sf**  
**29,610 SF**  
**LAND AREA**

**33**  
**SPACES**



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# Tenant Overview

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## ABOUT TACO BELL

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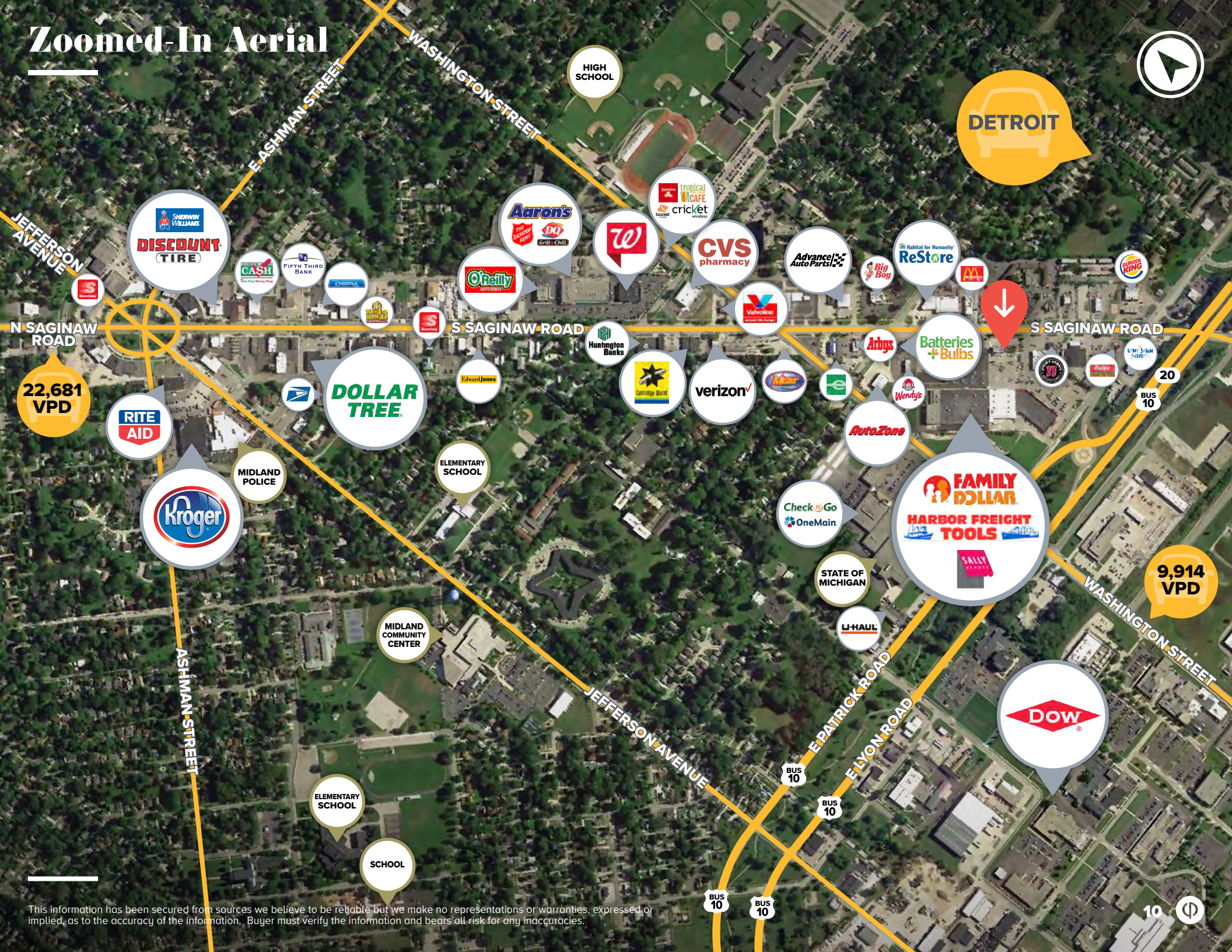
Taco Bell is an American fast food chain known for its inventive, often whimsical, Mexican-inspired menu items. Along with KFC and Pizza Hut, Taco Bell is owned by Louisville, Kentucky-based Yum! Brands and serves 42 million customers a week at nearly 7,000 restaurant locations worldwide. The brand is growing with nearly 500 international restaurants in nearly 30 countries across the globe.

The restaurant chain has tapped into technology to improve its service from order to pickup. Its mobile app—which has been downloaded over 4.9 million times—makes it easy to place a custom meal order and pay before you arrive to skip the line. In 2016, they were named as one of Fast Company's Top 10 Most Innovative Companies in the World.

**7,000+** | **RESTAURANTS  
WORLDWIDE**

**2019 SALES** | **\$10.8B**

# Zoomed-In Aerial



22,681  
VPD


9,914  
VPD

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# Demographics

## POPULATION

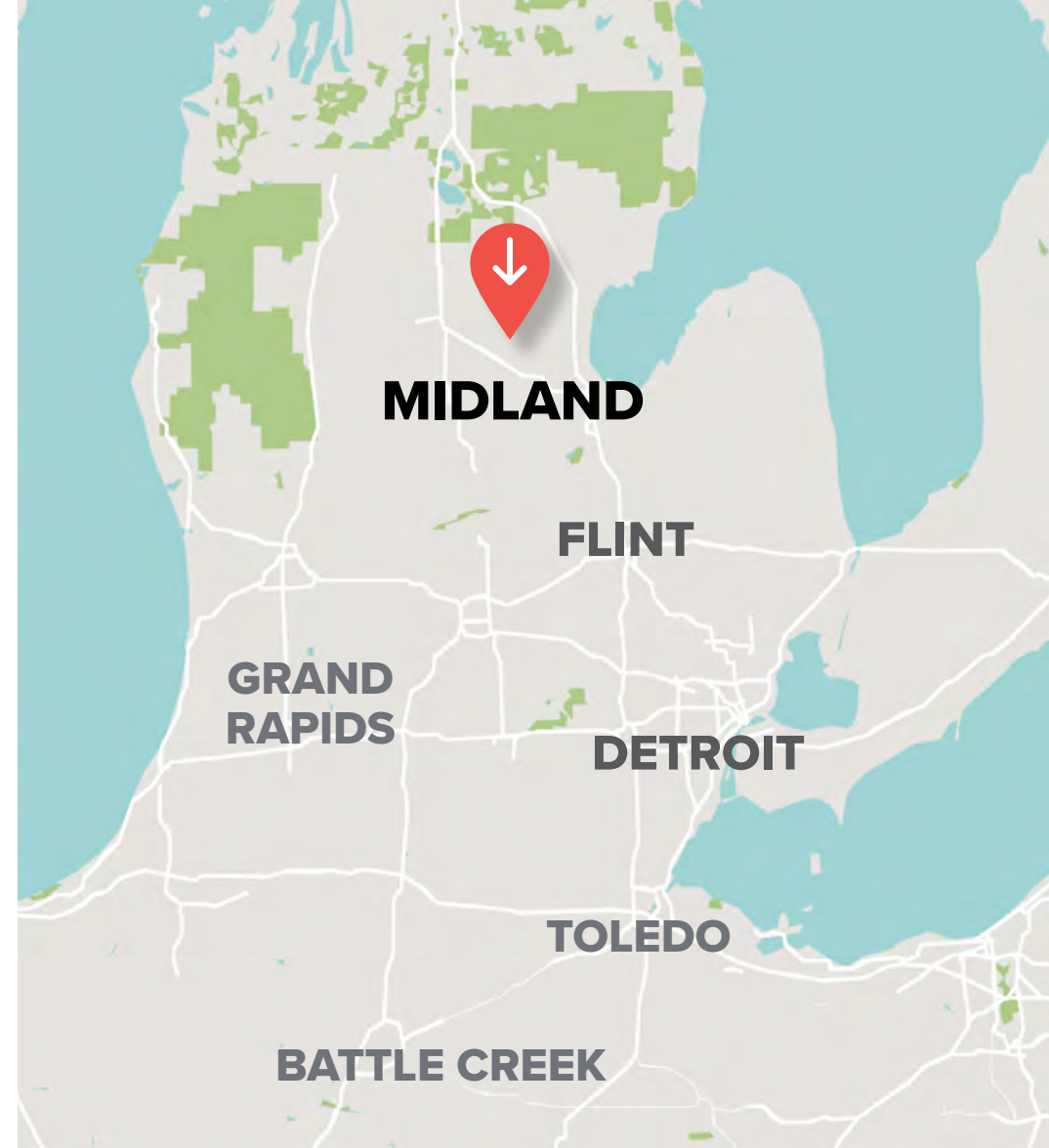
	1-MILE	3-MILES	5-MILES
2010	5,865	32,846	50,153
2019	6,176	33,394	51,334
2024	6,320	33,684	51,851

## 2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$53,126	\$87,477	\$92,837
Median	\$36,477	\$58,797	\$62,637

## LARGEST EMPLOYERS IN MIDLAND COUNTY

EMPLOYER	# OF EMPLOYEES
MidMichigan Health	4,406
Dow Inc.	4,000
DuPont	1,200
Midland Public School District	898
Corteva Agriscience	800



**THE AVERAGE HOUSEHOLD  
INCOME WITHIN A 3-MILE RADIUS  
IS OVER \$87K**

# MIDLAND, MICHIGAN



THE TRIDGE

**MIDLAND** is a city in Michigan in the Flint/Tri-Cities region of the state. It is the 5th largest city in the state of Michigan in terms of land size. Midland is a newly-defined Metropolitan Statistical Area that includes Midland County. The city is conveniently located in the center of Michigan, just 15 minutes away from MBS International Airport.

Midland is also home to Northwood University which is a private institution founded in 1959. The campus is about 468 acres with a total enrollment of about 3,353 students. The Tridge is one of Midland's largest tourist attractions and people often travel from all over the country to visit it. Its three legs span out to Chippewassee Park, St. Charles Park (Old Red Coats) and the Farmer's Market areas.

**MIDLAND IS EXPERIENCING THE SECOND STRONGEST ECONOMIC GROWTH** per capita in the nation according to a study by the McNair Center at Northwood University. The seventh annual report states that Midland, Grand Rapids and Michigan are national leaders in real gross domestic product growth per capita when measured over the years 2011-2017. Dow Chemical was founded in Midland in 1897 and corporate headquarters remain in the city.

41,800



**MIDLAND**  
(ESTIMATED)



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