



TACO BELL
ABSOLUTE (NNN)
250+ UNIT OPERATOR



Subject Property Photo



NET LEASE
REALTY PARTNERS
216 N. Coast Hwy 101, Encinitas, CA 92024

1231 N. 12th STREET | MIDDLESBORO, KENTUCKY 

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In Association with North Carolina Broker Foundry Commercial

TAC★LA
COMPANIES
PREMIER FRANCHISE OPERATOR OF TACO BELL®

SEARCH OUR CURRENT INVENTORY @

www.NNNsearch.com

OFFERING OVERVIEW



OFFERING OVERVIEW

Net Lease Realty Partners is excited to present the rare opportunity to acquire the fee simple interest in a newly rebuilt Taco Bell site, located in Middlesboro, Kentucky. The property is well situated on a major retail thoroughfare as an outparcel to a large Wal-Mart Super Center. In 2015 the property was scraped and rebuilt to Taco Bell's latest store prototype by the tenant. At that time the tenant also signed a brand new, 25-Year, Absolute NNN lease with (6) additional 5-Year options, demonstrating an extreme level of commitment to this site. The lease also features favorable 1% annual rent increases to the landlord, offering a strong hedge against inflation.

The lease is guaranteed by TACALA Tennessee Corp., an entity of TACALA (www.tacala.com) whom is one of the largest Taco Bell franchisee's in the Country, operating over 250+ locations throughout the Southern United States.. The Absolute Net (NNN) Lease, offers a passive investor a strong return with ease of management responsibilities. With more than 20+ Years remaining on the current term, this asset is perfect for the "Coupon Clipper" investor.

INVESTMENT HIGHLIGHTS

Absolute Net (NNN) Lease - The property is currently under a 25-Year Absolute Net (NNN) Lease, with approximately +/- **21 Years remaining** until the tenants option periods. Landlord is not responsible for roof and structure of the property. Lease is guaranteed by TACALA Tennessee Corp.

Outparcel to a Busy Wal-Mart Super Center - The subject Taco Bell site sits in front of a large Wal-Mart Shopping Center. The center benefits from strong traffic counts, over 20,000+ cars pass by on 12th Street in front of the center daily.

Re-Built in 2015 to Latest Taco Bell Prototype - The subject property was completely torn down and rebuilt to the latest prototype back in 2015. This was done at the cost of the tenant, whom had been operating at this location for several years prior.

Dense Retail Corridor - Other retailers in the immediate area include Wal-Mart, Wendy's, Murphy USA, Krystal Burger, Holiday Inn, Aspen Dental, Cricket Wireless, AT&T, Roses Discount Store, JC Penny, Belk, Arby's, Cracker Barrel and Papa John's just to name a few!

PRICE: **\$ 2,597,825**

NOI: **\$ 136,368 / Year**

Cap Rate: **5.25%**

FINANCIAL OVERVIEW

SITE ADDRESS:



**1231 N. 12th Street,
 Middlesboro, KY 40965**

PRICE:

\$ 2,597,825

NET INCOME (NOI):

\$ 136,386 / YEAR

CAP RATE:

5.25 %

Gross Leasable Area (GLA):

2,500 SQFT

Lot Size:

N/A

Year Re-Built:

2015

Ownership Type:

Fee Simple

Tenant Trade Name:

Taco Bell

Guarantor:

TACALA TENNESSEE CORP (Franchisee)

Lease Type:

Absolute Net Lease (NNN)

Lease Term:

25-Year

Rent Commencement:

September 1, 2015

Lease Termination:

August 31, 2040

Remaining Lease Term:

21 Years

Rental Increases:

1% Annual Increases

Tenant Options:

(6) X 5 Year Options

Right of First Refusal:

No

Term: Annual Rent: Monthly Rent:

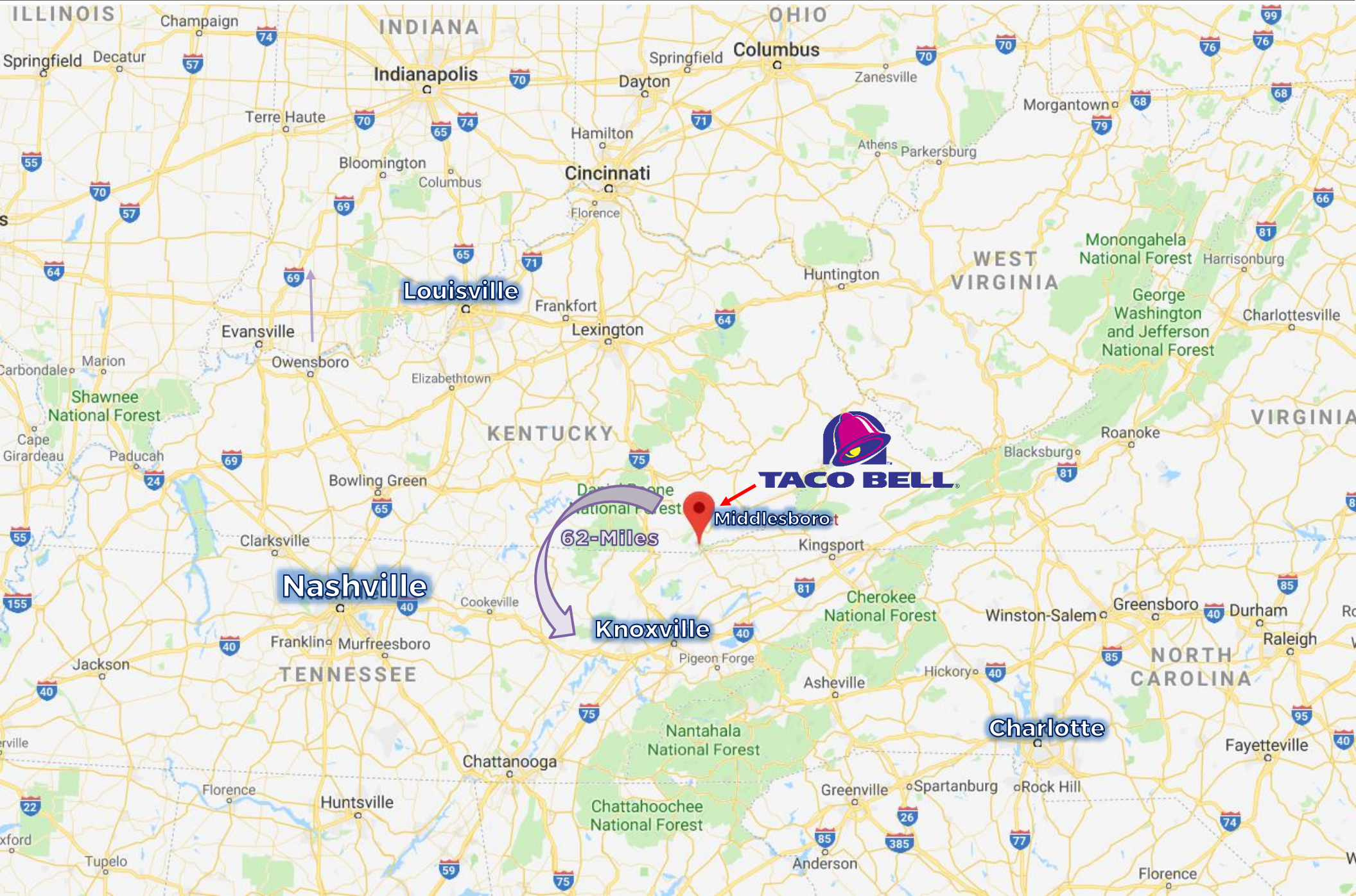
Term:	Annual Rent:	Monthly Rent:
Year 1	\$126,000	\$10,500
Year 2	\$128,520	\$10,710
Year 3	\$131,090	\$10,924
Year 4	\$133,712	\$11,143
Year 5	\$136,386	\$11,366
Year 6	\$139,114	\$11,593
Year 7	\$141,896	\$11,825
Year 8	\$144,734	\$12,061
Year 9	\$147,629	\$12,302
Year 10	\$150,582	\$12,548
Year 11	\$153,593	\$12,799
Year 12	\$156,665	\$13,055
Year 13	\$159,798	\$13,317
Year 14	\$162,994	\$13,583
Year 15	\$166,254	\$13,855
Year 16	\$169,579	\$14,132
Year 17	\$172,971	\$14,414
Year 18	\$176,430	\$14,703
Year 19	\$179,959	\$14,997
Year 20	\$183,558	\$15,297
Year 21	\$187,229	\$15,602
Year 22	\$190,974	\$15,914
Year 23	\$194,793	\$16,233
Year 24	\$198,689	\$16,557
Year 25	\$202,663	\$16,889

REGIONAL MAP

TACOLA

COMPANIES

PREMIER FRANCHISE OPERATOR OF TACO BELL®



INTERACTIVE LOCAL MAP

TACOLA
COMPANIES
PREMIER FRANCHISE OPERATOR OF TACO BELL®



Walmart

Roses

Middlesboro MALL

JCPenney

MURPHY USA

Wendy's

Krystal

TACO BELL

El Mariachi Mexican Grill

Cracker Barrel Old Country Store

Arbys

12th STREET - 20,900+ ADT

PAPA JOHN'S

at&t



AspenDental
cricket wireless

Holiday Inn Express

N 25th STREET - 9,800+ ADT

OUR STORY

When Dick Reese and Don Ghareeb first inquired about getting into the Taco Bell business in 1988 in Alabama, there were only 2,700 Taco Bell locations in the United States. Most of the units were concentrated in the West and folks in the Southeast didn't know how to pronounce "taco". Dick and Don didn't know it, but their timing was exceptional. The following year, a period of phenomenal growth ensued as Taco Bell introduced U.S. consumers to the concept of "value" with low price tacos and free drink refills. Taco Bell locations have more than doubled in the past 24 years and Tacala has grown exponentially from one location in Columbiana, AL in 1989 to over 280 locations in the Southeast and Texas.



Taco Bell Mission Building

DICK AND DON: A 30 YEAR PARTNERSHIP



Dick Reese and Don Ghareeb enjoyed 30 years of partnership and friendship, with half of that time spent as Taco Bell franchisees. Their skill sets and personalities complemented each other perfectly. Dick's professional background was in finance, including experience with one of the "Big Eight" accounting firms. Don's background from his teenage years was in foodservice operations, which served as a launch pad for a career in Quick Service Restaurants in a variety of management positions. Dick and Don met in 1975 while working at a regional hamburger chain and purchased that company in 1979, building it up to over 100 locations

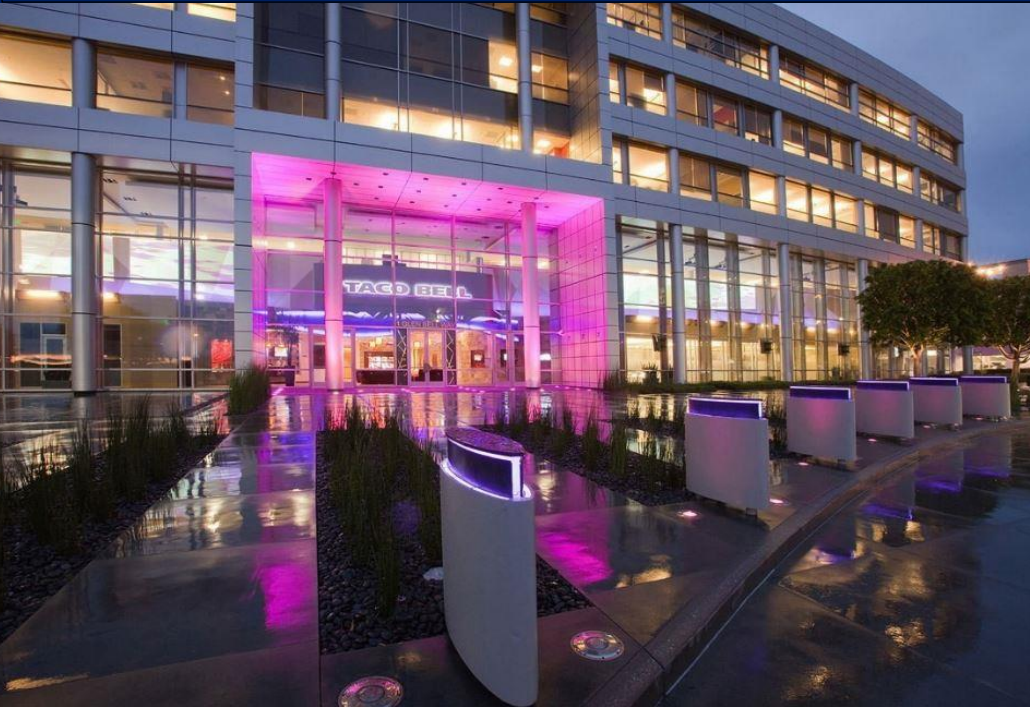
before selling it in 1988. It was during the sale of excess property that they became acquainted with Taco Bell. After Dick and Don met with representatives from Taco Bell Corp, they decided to retain some of the locations and become Taco Bell franchisees. Their partnership flourished until July 2005 when we lost our beloved co-founder, Dick Reese. Dick's legacy lives on through the continued growth of Tacala and the many lives he touched.

TACALA TODAY

At the end of 2012, Altamont Capital Partners, a private equity firm with \$500 million of capital under management, acquired majority ownership in Tacala. Altamont selected Tacala as their first investment in the restaurant industry based on the company's proven track record, as well as the strong company leadership which has remained in place. Don Ghareeb, Tacala Chairman Emeritus, assembled a strong team to continue the ideals that Dick and Don espoused from the beginning: take care of your customers, take care of your teams, and be good community partners. Tim Morrison and Joey Pierson, Co-CEOs lead the company on a day-to-day basis in partnership with members of the Executive Team who work to ensure that we continue to grow to provide our customers with a great experience and our teams with strong opportunities for growth and development. Tacala locations have grown over the past 24 years through a combination of development and strategic acquisitions. Most recently Tacala added locations in Texas, previously owned by another long-time franchisee, Austaco. After 45 years as a Taco Bell franchisee, Austaco's owners, Dirk and Katie Dozier, made the decision to sell the stores to Tacala based on our history of leadership and alignment with the goal to further Taco Bell business in some of the best communities in the country. We are excited to welcome Tacala Austin, formerly Austaco, into the Tacala family and look forward to working together to continue to grow the business in the years to come.



BRAND PROFILE



Taco Bell, A unit of fast-food behemoth YUM! Brands is the #1 Mexican fast-food chain in the US, with about 6,200 locations. The restaurants feature a wide range of Mexican-style menu items including tacos, burritos, gorditas, quesadillas, and nachos. Taco Bell units can be found operating as free-standing units and as quick-service kiosks in such places as shopping malls and airports.

Taco Bell also has 350 international locations in more than 20 countries. More than 20% of the restaurants are company-operated. Parent YUM! Brands, the world's #1 fast-food company, also operates KFC and Pizza Hut.



Middlesboro is a city in Bell County, Kentucky. The population was 10,334 at the 2010 U.S. census, while its micropolitan area had a population of 69,060. It is located 1 mile west of the Cumberland Gap and is **the largest city in southeastern Kentucky**. It is located entirely between Pine Mountain and the Cumberland Mountains in the Middlesboro Basin, an enormous meteorite crater (one of three known astroblemes in the state). The city claims to be the only one in the United States built entirely inside such a crater, as well as the home of ragtime music and the oldest continuously-played golf course in the country.

Currently, Middlesboro is investing in downtown revitalization to help create new business and give the city a better image. In 2004, Discover Downtown Middlesboro, Inc. (DDM), was formed to promote and lead the revamping of the historic downtown area. Since its inception, Discover Downtown Middlesboro has helped numerous businesses receive a facelift and has restored the historic Fountain Square in downtown. The organization also helps to create awareness of the city's grand and regal past. Numerous large-scaled sepia murals are placed throughout downtown, paying homage to the founder of Middlesboro, his wife, and other historic points in the history of Middlesboro. DDM also hosts numerous events for the community and the tri-state area that are free to the public, one of the most popular includes the Downtown Ducky Dash and Block Party. DDM oversees all projects that take place within the downtown area and has plans to create brick stamped crosswalks at Fountain Square. Ultimately, they plan to make the historic downtown area more pedestrian-friendly with more benches, bike racks, planters, and streetscape improvements in the works. Recently, the organization has applied for nearly \$1 million in grant money for the purpose of preservation and development of the general downtown district. Currently, DDM has invested in a Preservation Plan, which should be unveiled in September 2013. This plan, once complete, will outline the plans for the revitalization of downtown Middlesboro, help create a brand for the downtown area, as well help lay a foundation to preserve the rich architectural details in the downtown historic district.

In April 2012, Middlesboro became the first city in the United States to have a community-wide organic garden, which features 60 raised-bed gardens that will be used to grow food for people in the community. Some beds are even disability accessible. The beds will be given out on a first come, first served basis. The food that is grown in the beds will help to reduce costs for families in need, and can be donated to people in need or sold to local restaurants. The community organic garden was made possible through the City of Middlesboro, Bell County Health Department, and several donors and volunteers. Middlesboro is currently working to become one of the first cities in Kentucky to be a certified Trail Town. The Mayor, along with the City Council, showed support and took initiative in becoming a certified Trail Town. This feat will be a collaboration between the Bell County Tourism Commission, Bell County Adventure Tourism, Discover Downtown Middlesboro, Bell County Chamber of Commerce, and the City of Middlesboro.

Beginning in the summer of 2015, Discover Downtown Middlesboro is the recipient of a grant from the Levitt Foundation of California. This grant provides funding for a series of 10 outdoor music concerts each summer. The concert venue is a formerly abandoned lot near the main intersection of town at 20th & Cumberland Ave. Middlesboro is one of 15 cities across the nation to be chosen for the Levitt AMP series.

AREA DEMOGRAPHICS

MIDDLESBORO, KENTUCKY



Census 2010 Summary	1 mile	3 miles	5 miles
Population	1,722	12,594	16,675
Households	735	5,407	6,839
Families	465	3,424	4,347
Average Household Size	2.34	2.29	2.34
Owner Occupied Housing Units	398	3,106	4,051
Renter Occupied Housing Units	337	2,301	2,788
Median Age	40.0	40.8	40.3

2018 Summary	1 mile	3 miles	5 miles
Population	1,827	12,591	16,871
Households	787	5,457	6,969
Families	489	3,384	4,345
Average Household Size	2.31	2.27	2.32
Owner Occupied Housing Units	403	2,960	3,870
Renter Occupied Housing Units	384	2,497	3,099
Median Age	41.5	42.8	42.2
Median Household Income	\$29,861	\$30,626	\$32,193
Average Household Income	\$43,058	\$43,864	\$44,951

2023 Summary	1 mile	3 miles	5 miles
Population	1,801	12,339	16,709
Households	777	5,365	6,918
Families	480	3,303	4,282
Average Household Size	2.31	2.26	2.31
Owner Occupied Housing Units	411	2,993	3,939
Renter Occupied Housing Units	366	2,372	2,979
Median Age	43.0	44.4	43.8
Median Household Income	\$33,664	\$33,844	\$35,477
Average Household Income	\$48,035	\$48,647	\$50,112

Trends: 2018-2023 Annual Rate	1 mile	3 miles	5 miles
Population	-0.29%	-0.40%	-0.19%
Households	-0.26%	-0.34%	-0.15%
Families	-0.37%	-0.48%	-0.29%
Owner Households	0.39%	0.22%	0.35%
Median Household Income	2.43%	2.02%	1.96%

2018 Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	228	29.0%	1,542	28.3%	1,851	26.6%
\$15,000 - \$24,999	127	16.1%	836	15.3%	1,076	15.4%
\$25,000 - \$34,999	70	8.9%	559	10.2%	725	10.4%
\$35,000 - \$49,999	122	15.5%	785	14.4%	1,067	15.3%
\$50,000 - \$74,999	126	16.0%	885	16.2%	1,152	16.5%
\$75,000 - \$99,999	51	6.5%	437	8.0%	559	8.0%
\$100,000 - \$149,999	44	5.6%	294	5.4%	365	5.2%
\$150,000 - \$199,999	11	1.4%	60	1.1%	92	1.3%
\$200,000+	8	1.0%	59	1.1%	83	1.2%
Median Household Income	\$29,861		\$30,626		\$32,193	
Average Household Income	\$43,058		\$43,864		\$44,951	
Per Capita Income	\$18,945		\$19,130		\$19,364	

2023 Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	220	28.3%	1,484	27.7%	1,774	25.6%
\$15,000 - \$24,999	115	14.8%	751	14.0%	977	14.1%
\$25,000 - \$34,999	60	7.7%	493	9.2%	662	9.6%
\$35,000 - \$49,999	113	14.5%	728	13.6%	1,021	14.8%
\$50,000 - \$74,999	133	17.1%	916	17.1%	1,193	17.2%
\$75,000 - \$99,999	60	7.7%	498	9.3%	632	9.1%
\$100,000 - \$149,999	55	7.1%	363	6.8%	452	6.5%
\$150,000 - \$199,999	12	1.5%	65	1.2%	106	1.5%
\$200,000+	9	1.2%	67	1.2%	100	1.4%
Median Household Income	\$33,664		\$33,844		\$35,477	
Average Household Income	\$48,035		\$48,647		\$50,112	
Per Capita Income	\$21,163		\$21,250		\$21,595	

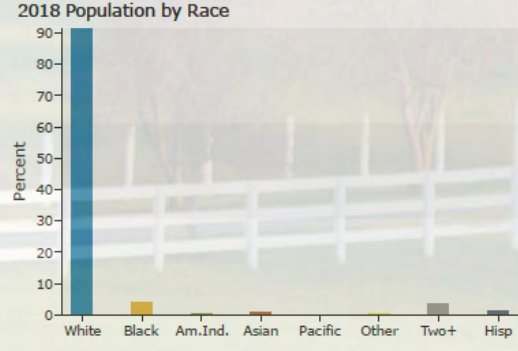
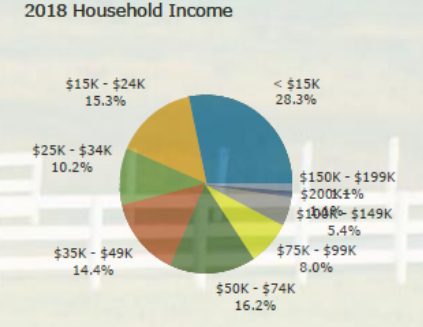
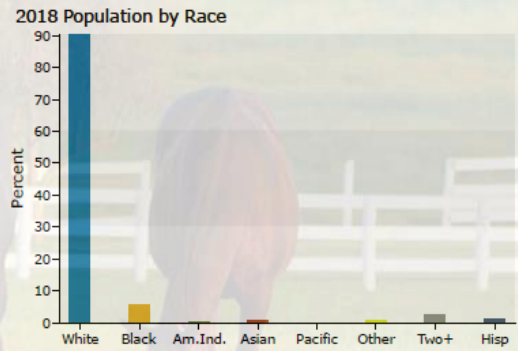
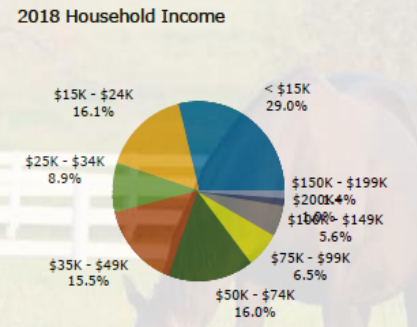
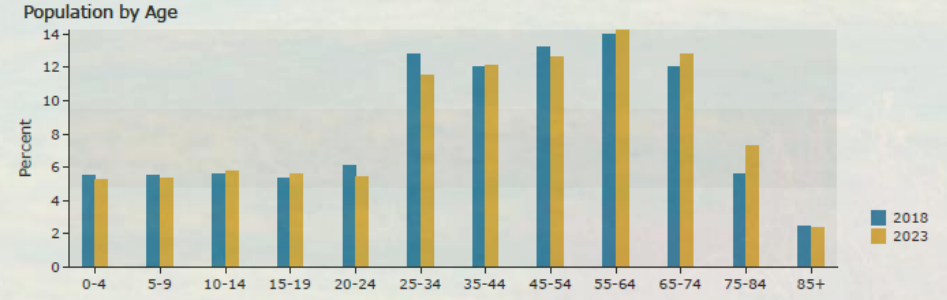
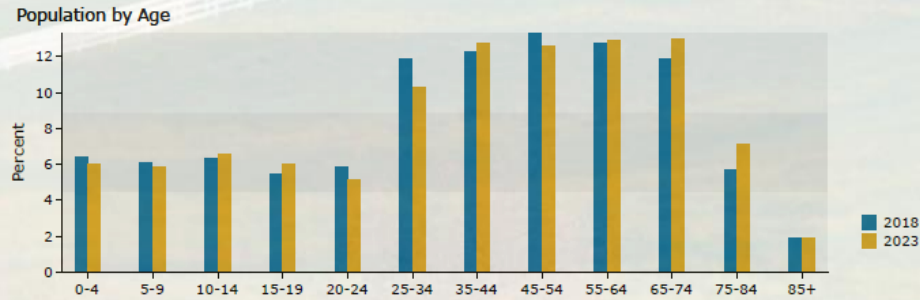
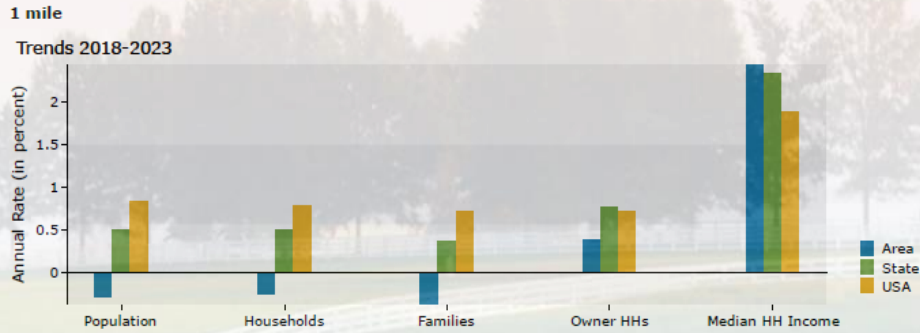
2010 Population by Age	1 mile	3 miles	5 miles			
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	117	6.8%	741	5.9%	929	5.6%
Age 5 - 9	98	5.7%	721	5.7%	913	5.5%
Age 10 - 14	113	6.6%	770	6.1%	982	5.9%
Age 15 - 19	118	6.9%	864	6.9%	1,240	7.4%
Age 20 - 24	121	7.0%	820	6.5%	1,251	7.5%
Age 25 - 34	183	10.6%	1,447	11.5%	1,930	11.6%
Age 35 - 44	231	13.4%	1,624	12.9%	2,090	12.5%
Age 45 - 54	254	14.8%	1,861	14.8%	2,376	14.2%
Age 55 - 64	205	11.9%	1,621	12.9%	2,135	12.8%
Age 65 - 74	163	9.5%	1,189	9.4%	1,580	9.5%
Age 75 - 84	93	5.4%	659	5.2%	865	5.2%
Age 85+	26	1.5%	280	2.2%	383	2.3%

2018 Population by Age	1 mile	3 miles	5 miles			
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	116	6.4%	690	5.5%	879	5.2%
Age 5 - 9	111	6.1%	692	5.5%	886	5.3%
Age 10 - 14	115	6.3%	700	5.6%	897	5.3%
Age 15 - 19	101	5.5%	669	5.3%	1,007	6.0%
Age 20 - 24	106	5.8%	768	6.1%	1,188	7.0%
Age 25 - 34	218	11.9%	1,607	12.8%	2,153	12.8%
Age 35 - 44	225	12.3%	1,508	12.0%	1,966	11.7%
Age 45 - 54	243	13.3%	1,664	13.2%	2,166	12.8%
Age 55 - 64	234	12.8%	1,762	14.0%	2,353	13.9%
Age 65 - 74	218	11.9%	1,508	12.0%	2,004	11.9%
Age 75 - 84	104	5.7%	710	5.6%	951	5.6%
Age 85+	35	1.9%	313	2.5%	423	2.5%

2023 Population by Age	1 mile	3 miles	5 miles			
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	108	6.0%	637	5.2%	820	4.9%
Age 5 - 9	105	5.8%	653	5.3%	846	5.1%
Age 10 - 14	118	6.6%	700	5.7%	909	5.4%
Age 15 - 19	108	6.0%	690	5.6%	1,040	6.2%
Age 20 - 24	91	5.1%	671	5.4%	1,073	6.4%
Age 25 - 34	185	10.3%	1,418	11.5%	1,927	11.5%
Age 35 - 44	230	12.8%	1,492	12.1%	1,973	11.8%
Age 45 - 54	226	12.6%	1,549	12.6%	2,043	12.2%
Age 55 - 64	233	12.9%	1,756	14.2%	2,346	14.0%
Age 65 - 74	234	13.0%	1,577	12.8%	2,132	12.8%
Age 75 - 84	127	7.1%	895	7.3%	1,186	7.1%
Age 85+	35	1.9%	301	2.4%	415	2.5%

AREA DEMOGRAPHICS

MIDDLESBORO, KENTUCKY

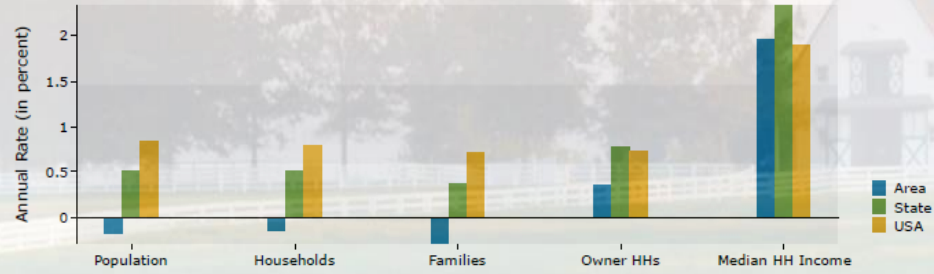


AREA DEMOGRAPHICS

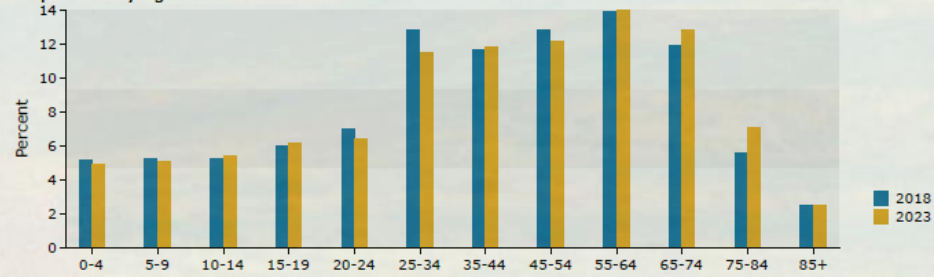
MIDDLESBORO, KENTUCKY

5 miles

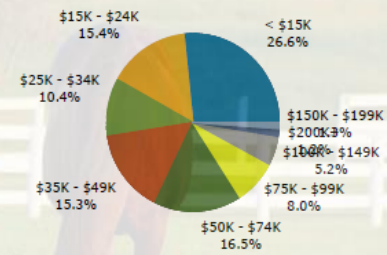
Trends 2018-2023



Population by Age



2018 Household Income



2018 Population by Race

