



THE ORIGINAL  
**TACO CABANA**  
MEXICAN PATIO CAFE

**CUSTOM SIGN**  
We Design For You

**HOUSTON, TX**

Single Tenant Absolute NNN Deal exclusively offered by

**DuWEST**  
INVESTMENT SERVICES



#### STATEMENT OF CONFIDENTIALITY AND DISCLAIMER

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the retail property known as Cabana located at 7501 Bellaire Boulevard, Houston, Texas 77074 being approximately 3,546 square feet of improvements and 0.76 acres of land ("the "Property"). It is not to be used for any other purpose or made available to any other person without the express written consent of Seller or DuWest Realty, LLC ("DW"). The material herein is based in part upon information supplied by the Seller and in part upon information obtained by DW from sources it deems reliable. No representation or warranty, expressed or implied, is made by the Seller, DW, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should conduct their own independent investigation, conduct their own due diligence, and form their own conclusions without reliance upon the material contained herein. A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase and Sale Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or DW or any of their affiliates or any of their respective officers, directors, owners, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from DW or Seller or their affiliates or any of their respective officers, directors, owners, or agents as legal, tax, or other advice. Prior to forming their acquisition value of the Property, prospective purchasers should consult with their own legal counsel and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

# EXECUTIVE SUMMARY

**DuWest Realty Investment Services** has been exclusively retained to market for sale Taco Cabana in Houston, Texas. The single-tenant property is a 3,546 SF\*, absolute triple-net (NNN) lease with a national credit tenant. This Taco Cabana location has been in operation since December of 2000, with just under seven years remaining on their term.

The property sits on a dynamic intersection (Bellaire Blvd and Hwy 59). In front of the property, Bellaire Blvd. sees over 48,920 vehicles per day. Hwy 59 sees over 179,124 vehicles per day. This Taco Cabana benefits from a very dense daytime population of 283,483 within 3 miles. Moreover, there is a large concentration of businesses, schools, and multifamily units within one square mile of the property.

YTC Brands acquired Taco Cabana in 2021 for \$85 million. YTC Brands operates over 400 stores and is also the largest franchisor of Jack in the Box, Denny's, TGI Friday's & El Pollo Loco. The company's growth plans for Taco Cabana focus on recreating the website and mobile app, using new packaging, a streamlined catering menu, mobile catering kitchen, building an improved loyalty program, and broadening its presence to over 1,000 locations over the next decade.

The acquisition of this Taco Cabana offers investors a strong 6.8 year corporate lease that is Absolute NNN, completely passive and allows depreciation of the building for tax purposes. The property is in an excellent trade area and the site is positioned to retain long-term value.

\*Patio square footage is in addition to the 3,546 SF Property Size, making the total property size +/-4,366 SF. However, rent is based on only 3,546 SF.

[CLICK HERE FOR DRONE VIDEOGRAPHY](#)



**7501 BELLAIRE BOULEVARD**

ADDRESS

**HOUSTON**

CITY

**HARRIS**

COUNTY

**1988**

CONSTRUCTION YR

**3,546**

BUILDING SIZE

**0.760**

SITE SIZE ACRES

**\$144,000**

IN-PLACE NOI

**\$2,304,000**

PRICE

**ABSOLUTE NNN LEASE**

LEASE STRUCTURE

**CORPORATE**

GUARANTY

**I-59: 179,124 VPD**

**BELLAIRE BLVD: 48,920 VPD**

TRAFFIC COUNTS

# INVESTMENT HIGHLIGHTS

## HIGH BARRIERS TO ENTRY IN DENSE SOUTHWEST HOUSTON

- Located along Bellaire Boulevard (48,920 VPD), Taco Cabana is situated amongst behemoth retail drivers such as PlazAmericas Mall (850,000 SF), Memorial Hermann Southwest Hospital (Top 100 Hospital in the Nation), and a dense education and residential corridor
- Within 1 mile, the total population is 25,842 people. Within 5 miles, this population balloons to 586,908 people

## ABSOLUTE NNN LEASE FEATURING DRIVE THRU & OUTDOOR PATIO

- 6.8 Years Remaining on a Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- Tenant will repair and maintain, at its own cost, the entirety of the Premises including HVAC, roof, and parking
- The Property features a drive through window, additional square footage with outdoor patio seating and an indoor dining option where you can catch Happy Hour deals such as \$3.00 nachos and drink combos

## LONG-STANDING TENANCY WITH CORPORATE GUARANTY

- Tenant has operated at this location since December 2000
- Taco Cabana has 160 stores in operation today across Texas, Oklahoma & New Mexico
- Parent Company YTC Brands purchased Taco Cabana in 2021 and operates close to 400 stores across the United States
- Under new ownership, YTC Brands believes they can grow to 1,000 stores in the next decade

- New ownership has plans for growth including recreating the website and mobile app in multiple phases, using new packaging, offering a streamlined catering menu and mobile catering kitchen, building an improved loyalty program, and broadening its presence

## TOP INVESTMENT MARKET - HOUSTON, TEXAS

- Houston, Texas is the 4th largest city and Texas is the 2nd fastest growing economy in the U.S.
- Texas is the number one state for relocations and the #1 state for job growth
- Houston is home to 24 Fortune 500 companies with another 17 on the Fortune 1000 list



# MEDIA

## UNDER NEW OWNERSHIP, TACO CABANA PUTS TEX-MEX AT THE FOREFRONT

**The chain believes it can reach 1,000 stores in the next decade.**

Anil Yadav has spent more than three decades building his franchising empire.

His legacy, Yadav Enterprises, oversees 343 restaurants across six brands in the casual-dining and quick-service segments—Jack in the Box, Denny's, El Pollo Loco, Corner Bakery Cafe, Sizzler, and TGI Fridays.

But Yadav, who is also a significant investor in TGI Fridays' ownership group, has been eager to play in a different, bigger sandbox.

That turned out to be Taco Cabana, which the franchisee purchased for \$85 million from Fiesta Restaurant Group last year. Not only is Yadav now a full-fledged franchisor, but he's also the leader of a progressing turnaround effort.

The goal in the next five to 10 years is to expand outside of Texas and surpass 1,000 units. Currently, the company owns 142 stores in Texas, and one franchisee operates six units in New Mexico.

"I loved everything about the brand," Yadav says. "I mean of course the brand is a great legacy, been around the Texas market for 35-plus years as a regional brand, but has the ability to be a national brand."

Taco's pandemic recovery hasn't been as swift as others in the quick-service space. In the second quarter of 2021, same-store sales dropped 6.7 percent, including declines of 6.9 percent, 6.7 percent and 6.5 percent in April, May, and June. Even before COVID, comps decreased 4.1 percent in 2019 year-over-year.

The first step toward revitalizing the brand and developing a new franchise program was creating a self-sufficient and independent headquarters in San Antonio, according to COO Ulyses Camacho. Once that was established, the fast casual conducted research to define its brand identity, which dates back nearly 45 years.

Internally, the brand completed a SWOT analysis (strengths, weaknesses, opportunities, and threats) and pored over decades worth of archives. Externally, Taco initiated an attitude, awareness, and usage study, to gain a better understanding of where it stands in the marketplace.

The fast casual realized Tex-Mex is its foundation and should be the starting point of all key decisions.

"That has taken place in the last six months," Camacho says. "Once we understood all the points that we described, then we started working with research and development, strategy, marketing to really start creating filters so that everything that we do, it's true to our roots—not only to retain the existing customer, but to gain new customers, new generations."

The re-emphasis of Tex-Mex started with menu innovation. This includes Beef Picadillo Flautas, Shrimp Tampico with pineapple chipotle salsa, white queso, and jalapeño salsa. Taco will also continue to innovate around its alcoholic beverage lineup, such as the peach margarita and a special flavor for Cinco de Mayo.

# TENANT PROFILE



[tacocabana.com](http://tacocabana.com)

Taco Cabana is an American fast casual restaurant chain that serves Tex-Mex cuisine. It is a wholly-owned subsidiary of YTC Enterprises LLC, and headquartered in San Antonio, Texas. Many menu items are handmade daily on-site, in open-display cooking areas. Taco Cabana is a popular Tex-Mex restaurant chain known for its delicious tacos and burritos. They offer a wide variety of tacos, burritos, quesadillas, nachos, and more, all made with fresh ingredients. Taco Cabana now has more than 160 locations in Texas, Oklahoma, and New Mexico.

## TENANT SUMMARY

Headquarters:	San Antonio, Texas
Brand Footprint:	160 Locations in Texas, New Mexico, Oklahoma
Website:	<a href="http://www.tacocabana.com">www.tacocabana.com</a>
Years in Business:	Founded in 1978 (40+ Years)
Parent Company:	YTC Brands, the largest Jack in the Box® franchisee, one of the largest Denny's® franchisees, the largest TGI Friday's® franchisee and a significant investor in the ownership group of TGI Friday's® global parent company, and a franchisee of El Pollo Loco® and Corner Bakery Cafe

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INVESTMENT SERVICES



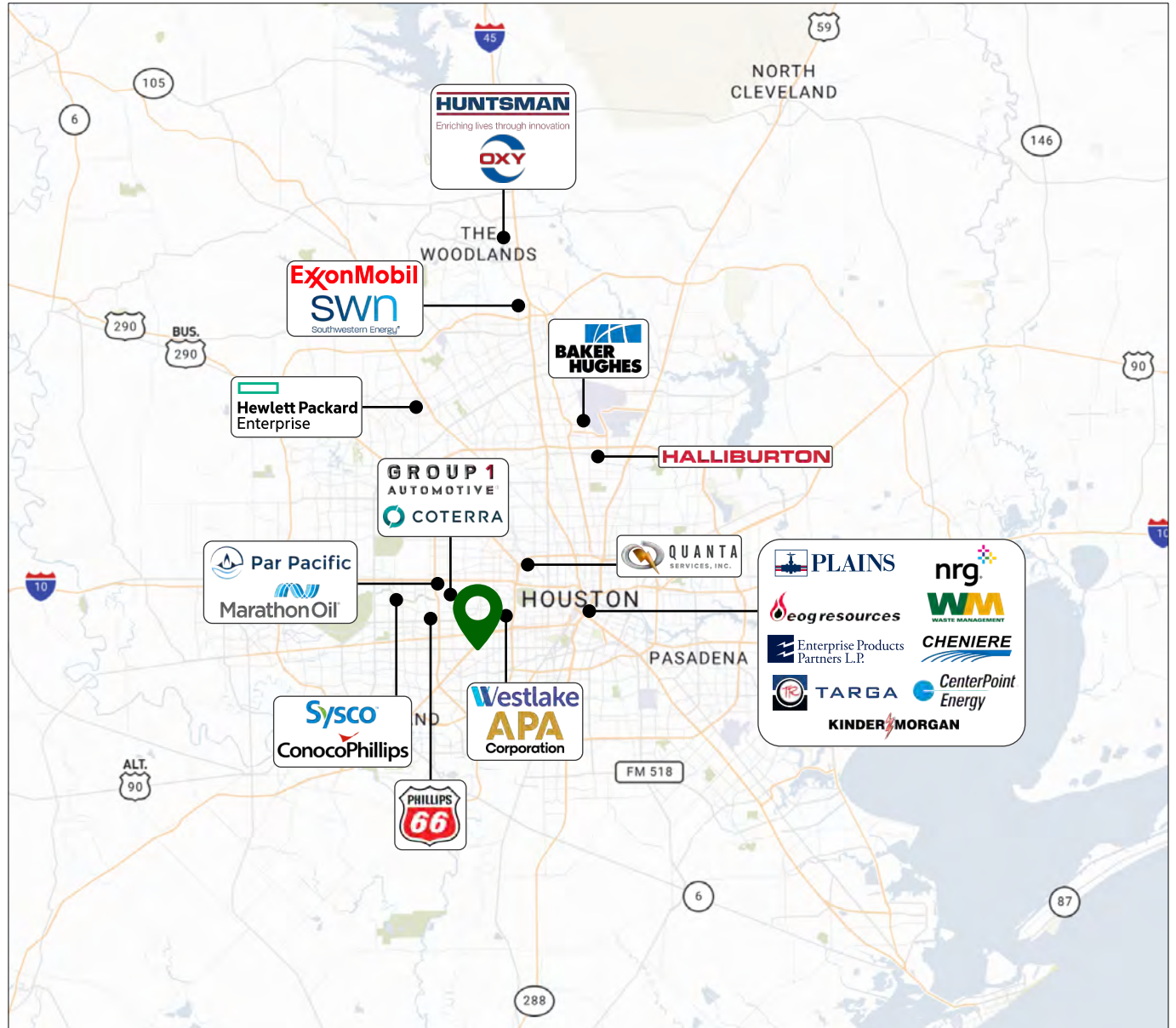
# LOCATION MAP



# FORTUNE 500 HQ MAP

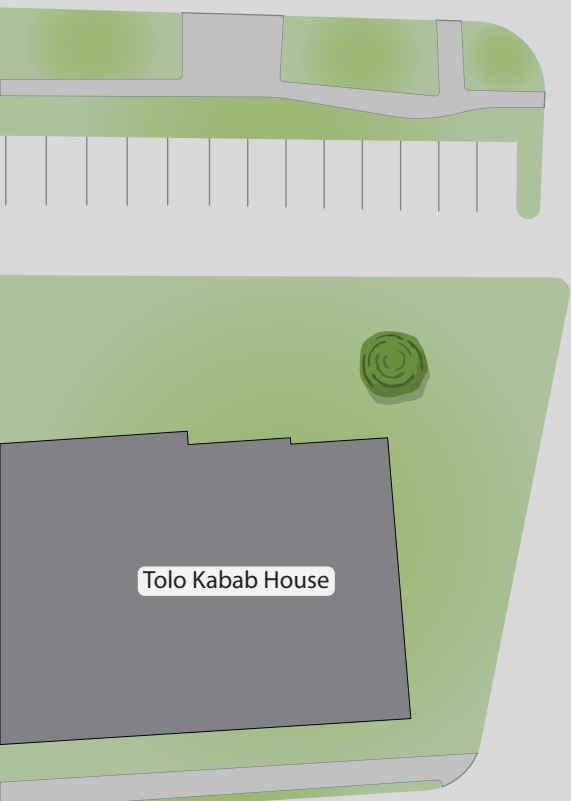
7501 BELLAIRE BLVD, HOUSTON, TX 77074

MAJOR HOUSTON EMPLOYERS	FORTUNE 500 RANKING	REVENUES (\$ BILLION)
ExxonMobil	3	413.7
Phillips 66	17	175.7
ConocoPhillips	49	82.1
Sysco Corporation	56	68.6
Enterprise Products Partners	72	58.2
Plains GP Holdings	74	57.3
Occidental Petroleum Corporation	110	37.0
Cheniere Energy, Inc.	122	33.4
NRG Energy	130	31.5
Hewlett Packard Enterprise	143	28.4
EOG Resources	156	25.7
Baker Hughes	185	21.2
Targa Resources	188	20.9
Halliburton	197	20.3
Waste Management	204	19.7
Kinder Morgan	214	19.2
Quanta Services	244	17.1
Group 1 Automotive	252	16.4
Westlake	263	15.8
Southwestern Energy	275	15.0
APA	341	12.1
CenterPoint Energy	413	9.3
Coterra Energy	420	9.0
Huntsman	433	8.7
Marathon Oil	464	8.0
Par Pacific Holdings	492	7.3





BELLAIRE BOULEVARD | 48,920 VPD



Texas Five Star Sign

AUTODRIVE

Chef Don Osmany

SUBWAY

CYCLE GEAR.

Karibu Mini Mart

Asante African Market



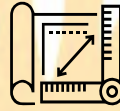
# PRICING



**\$2,304,000**  
PRICE



**6.25%**  
CAP RATE



**3,546 SF**  
GLA



**0.760 AC**  
LOT SIZE



**1988**  
YEAR BUILT

TENANT SUMMARY	
Tenant Trade Name	Taco Cabana
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Rent Commencement Date	December 1, 2000
Extension	December 1, 2020
Lease Expiration Date	12/31/2030
Term Remaining on Lease	6.8 Years
Increase	10% Every Five Years
Options	Two, 5-Year Options

ANNUALIZED OPERATING DATA			
LEASE COMMENCE	MONTHLY RENT	ANNUAL RENT	CAP RATE
Current - December 2025	\$12,000.00	\$144,000.00	6.25%
January 2026 - December 2030	\$13,200.00	\$158,400.00	6.88%

RENEWAL OPTIONS			
LEASE COMMENCE	MONTHLY RENT	ANNUAL RENT	CAP RATE
January 2031 - December 2035	\$14,520	\$174,240	7.56%
January 2036 - December 2040	\$15,972	\$191,664	8.32%

RESPECT THE FLAVOR

# WHY HOUSTON

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**#1 MOST DIVERSE CITIES IN  
THE U.S.**



**RANKED THE NUMBER TWO  
METRO WITH THE MOST  
CORPORATE HEADQUARTERS**



**GLOBAL TALENT POOL  
BOASTING TO BE THE BEST**



**LARGEST U.S. STATE  
TRANSPORTATION NETWORK**



**AMERICA'S 4TH LARGEST CITY  
FILLED WITH WORLD CLASS  
DINING, ARTS, HOTELS AND  
LIFESTYLE**



**HOUSTON RECOVERED THE  
MOST JOBS LOST DURING THE  
PANDEMIC**

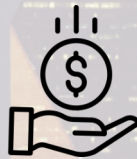
# TEXAS MARKET OVERVIEW



**2ND  
FASTEST GROWING  
ECONOMY IN THE U.S.**



**TOP  
STATE FOR JOB GROWTH**



**NO STATE  
INCOME TAX**



**FORTUNE 500  
COMPANIES CALL  
TEXAS HOME**



**POPULATION  
29,346,468**



**WORLD'S 9TH LARGEST  
ECONOMY**

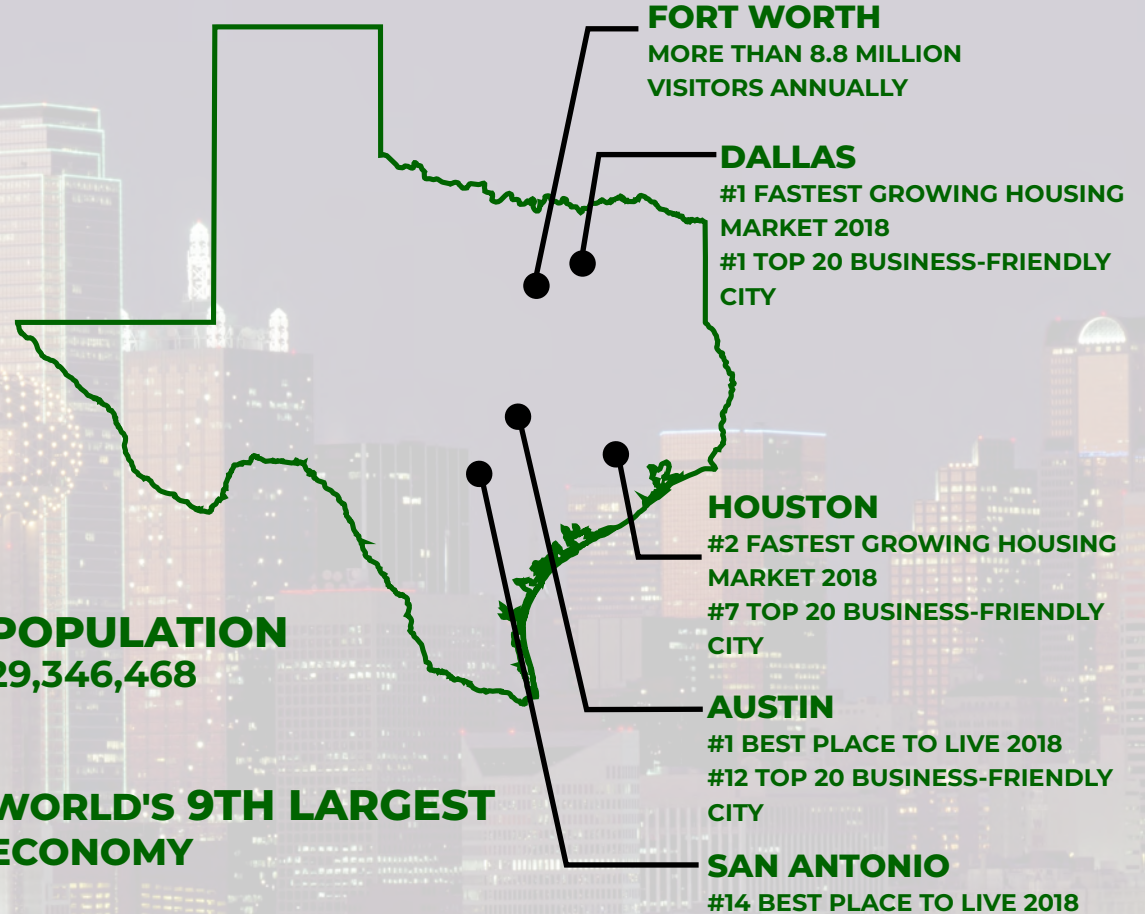


**BEST STATE  
FOR BUSINESS  
FOR THE 17<sup>TH</sup> YEAR IN A ROW  
BY CHIEF EXECUTIVE MAGAZINE**



**DALLAS/FORT WORTH  
INTERNATIONAL AIRPORT**  
2ND MOST PASSENGER VOLUME IN THE WORLD

**DALLAS LOVE FIELD  
INTERNATIONAL AIRPORT**  
HOME TO THE NATIONS LARGEST DOMESTIC  
AIRLINE



# DEMOGRAPHICS

WITHIN 3-MILES



**104,430**  
HOUSEHOLDS



**116,985**  
HOUSING UNITS



**283,483**  
DAYTIME POPULATION



**262,748**  
TOTAL POPULATION



**\$367,715**  
AVERAGE HOME VALUE



**\$68,787**  
AVERAGE HOUSEHOLD  
INCOME



**4.5%**  
UNEMPLOYMENT RATE



**26,170**  
TOTAL POPULATION  
(W/IN 1-MILE)

# TACO CABANA

HOUSTON, TEXAS

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