



TACO BELL

11120 E. US HIGHWAY 24 | SUGAR CREEK, MO 64054



INTERACTIVE OFFERING MEMORANDUM

OFFERING MEMORANDUM

TACO BELL

11120 E. US Highway 24 | Sugar Creek, MO 64054

EXCLUSIVELY LISTED BY



DANE MORROW

ASSOCIATE
DIRECT (747) 201-3632
MOBILE (310) 907-6102
dane.morrow@matthews.com
License No. 02244004 (CA)



JOSEPH NELSON

VICE PRESIDENT
DIRECT (424) 220-7244
MOBILE (818) 497-8411
joseph.nelson@matthews.com
License No. 02012421 (CA)

BROKER OF RECORD

KYLE MATTHEWS
License No. 2022018843 (MO)

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±2,061 SF

GLA



2021

Year Built



±26,000

Vehicles Per Day



NNN

Lease Type

EXECUTIVE SUMMARY

Matthews Real Estate is pleased to present the opportunity to acquire a Taco Bell located at 11120 US-24, Sugar Creek, MO 11120 (Kansas City, MSA). Royal City Bell, LLC (70+ units) has over 15 years remaining on their lease which expires in June 2041. The lease features 8% rental increases every 5 years and includes 4, 5-year options. There are zero landlord responsibilities, and the lease is guaranteed by Royal City Bell, LLC that operates 70+ units and is a subsidiary of Riverside Restaurant Group which owns over 300 restaurants Taco Bell and Arby's across the country.

This ±2,061-square-foot building sits on a ±0.85-acre parcel and was constructed in 2021. It is located along the intersection of US Highway 24 (±26,300 VPD) and S Sterling Ave (±8,600 VPD), surrounded by other national tenants such as McDonald's, O'Reilly Auto Parts, Central Bank, Domino's Pizza, and Family Dollar. The surrounding area features a strong mix of retail services and residential neighborhoods that includes 9 schools within a 3-mile radius.

PROPERTY OVERVIEW

- **Absolute NNN Fee Simple Ownership** – Depreciable Asset with Zero Landlord Responsibilities
- **Long-Term Lease with Near-Term Rent Increase** - Over 15 years of remaining lease term with a 8% rent increase in June 2026
- **High-Performing Operator Backed by Strong Franchisee** - Guaranteed by Royal City Bell, LLC (70+ units), a subsidiary of Diversified Restaurant Group (300+ Restaurants)
- **Strategic Kansas City MSA Location** - Located at the signalized intersection of US Highway 24 (±26,000 VPD) and S Sterling Ave (±8,600 VPD), the asset benefits from excellent visibility, strong traffic counts, and convenient ingress/egress.
- **Modern Construction with Drive-Thru Format** - Built in 2021, the ±2,061 SF building sits on a ±0.85-acre lot and features the Taco Bell “Go Mobile” prototype with dual drive-thru lanes, enhancing operational efficiency and customer convenience.
- **Surrounded by National Retailers** - Positioned among strong national retailers such as McDonald's, O'Reilly Auto Parts, Domino's Pizza, Central Bank, Subway, and Family Dollar.
- **Dense Residential Base** - The immediate area includes 9 schools within a 3-mile radius, supporting daily traffic and stable consumer demand.
- **Desirable Market Dynamics in Growing Submarkets** - Sugar Creek is part of the Kansas City MSA, one of the Midwest's fastest-growing metros.

FINANCIAL SUMMARY



±2,061 SF

GLA



\$2,496,000

LIST PRICE



6.25%

2025
CAP RATE



6.75%

2026
CAP RATE



2021

YEAR BUILT

TENANT SUMMARY

Tenant Trade Name	Taco Bell
Type of Ownership	Fee Simple
Lease Guarantor	Royal City Bell, LLC (70+ Units)
Lease Type	Absolute NNN
Landlord Responsibilities	None
Original Lease Term	20 Years
Rent Commencement Date	June 2021
Lease Expiration Date	June 2041
Term Remaining on Lease	15+ Years
Increases	8% Every 5 Years
Options	Four, 5-Year Options
Drive Thru	Yes
Hours of Operation	7:00am - 2:00am
Right of First Refusal	Yes

ANNUALIZED OPERATING DATA

	MONTHLY RENT	ANNUAL RENT	RENT PSF	Cap Rate
Current	\$13,000.00	\$156,000.00	\$75.69	6.25%
Year 6 - 10	\$14,040.00	\$168,480.00	\$81.75	6.75%
Year 11 - 15	\$15,163.20	\$181,958.40	\$88.29	7.29%
Year 15 - 20	\$16,376.26	\$196,515.07	\$95.35	7.87%
Option 1	\$17,686.36	\$212,236.28	\$102.98	8.50%
Option 2	\$19,101.27	\$229,215.18	\$111.22	9.18%
Option 3	\$20,629.37	\$247,552.39	\$120.11	9.92%
Option 4	\$22,279.72	\$267,356.59	\$129.72	10.71%



HEADQUARTERS
IRVINE, CA

YEAR FOUNDED
1962

OF LOCATIONS
8,100+



TENANT PROFILE

Taco Bell, a subsidiary of Yum! Brands (NYSE: YUM), is a leading national quick-service restaurant (QSR) chain with over 8,000 locations, primarily operated by franchisees. Known for its Mexican-inspired menu and strong brand loyalty, Taco Bell benefits from high consumer traffic, efficient drive-thru operations, and value pricing. The brand typically signs long-term NNN leases, minimizing landlord responsibilities, and occupies well-located, high-visibility retail sites. Backed by an investment-grade parent company, Taco Bell represents a stable and attractive tenant for net lease investors.



FRANCHISEE OVERVIEW

Royal City Bell, LLC is a subsidiary of Diversified Restaurant Group (DRG), one of the largest Taco Bell franchisees in the U.S., operating over 360 restaurants nationwide. Royal City Bell manages more than 60 Taco Bell locations across Kansas and Missouri, generating annual sales approaching \$90 million. As DRG's fastest-growing division, it benefits from DRG's commitment to innovation, sustainability, and operational excellence, including investments in technology, employee development, and community engagement. Royal City Bell's restaurants are typically operated under long-term, triple-net leases, making them attractive assets for net lease investors.

TACO BELL IN THE NEWS

Diversified Restaurant Group (DRG), a major Taco Bell franchisee, was recently named Taco Bell's Franchisee of the Year. The recognition highlights DRG's strong operational performance, growth strategy, and leadership within the brand. Led by CEO SG Ellison, the group continues to expand its portfolio and set standards for excellence across the Taco Bell system.



INSIDE TACO BELL'S AGGRESSIVE STRATEGY TO DOUBLE PROFITS, REACH \$3 MILLION AUV, AND SURPASS 10,000 UNITS

Taco Bell has launched an ambitious plan to significantly boost its financial performance and global presence. The strategy aims to double profits, achieve an average unit volume (AUV) of \$3 million, and expand beyond 10,000 locations worldwide. Key components of this plan include innovative menu offerings, enhanced digital ordering systems, and targeted marketing campaigns designed to resonate with a diverse customer base. By focusing on these areas, Taco Bell seeks to strengthen its market position and drive substantial growth in the coming years.



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WHY OWNING THE TECH STACK IS THE KEY TO YUM!'S FUTURE

Yum! Brands, the parent company of Taco Bell, KFC, Pizza Hut, and Habit Burger & Grill, has introduced "Byte by Yum!", a cutting-edge, AI-driven technology platform. This proprietary system integrates various essential functions—such as online and mobile ordering, point of sale, kitchen and delivery optimization, menu management, inventory, and labor management—into a unified tech suite. The implementation of Byte aims to enhance digital transactions, improve order accuracy, streamline operations, and boost overall customer satisfaction across all its restaurant brands.



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DOWNTOWN KANSAS CITY

± 9.0 MILES

 **VAN HORN HIGH SCHOOL**
1,113 STUDENTS



AUTO NOW

**DOLLAR
GENERAL**

COURTESY CARS

CONOCO

 **ARMY
RESERVE**

 **COMMUNITY
SERVICES
LEAGUE**



**FOR SALE AND
UNDER CONTRACT**

**WILD SIDE
SMOKE SHOP**

**OWNED BY THE CITY
OF SUGAR CREEK**



**SUBJECT
PROPERTY**

US HWY 24 ± 26,000 VPD

S STERLING AVE

MARKET OVERVIEW

Sugar Creek, Missouri is a strategically positioned submarket within the eastern portion of the Kansas City metropolitan area, offering strong visibility and accessibility for retail and quick-service restaurant (QSR) operations. Situated near the intersection of Interstates 70 and 435, the area captures a steady flow of regional and commuter traffic, enhancing exposure for street-facing retail and drive-thru concepts. Sugar Creek’s residential base is anchored by stable, working-class households, with a median income around \$52,000, and the city has shown a commitment to economic revitalization through its Enhanced Enterprise Zone (EEZ) designation. This designation offers targeted incentives to attract new business and support redevelopment, making it an increasingly attractive destination for commercial investment.

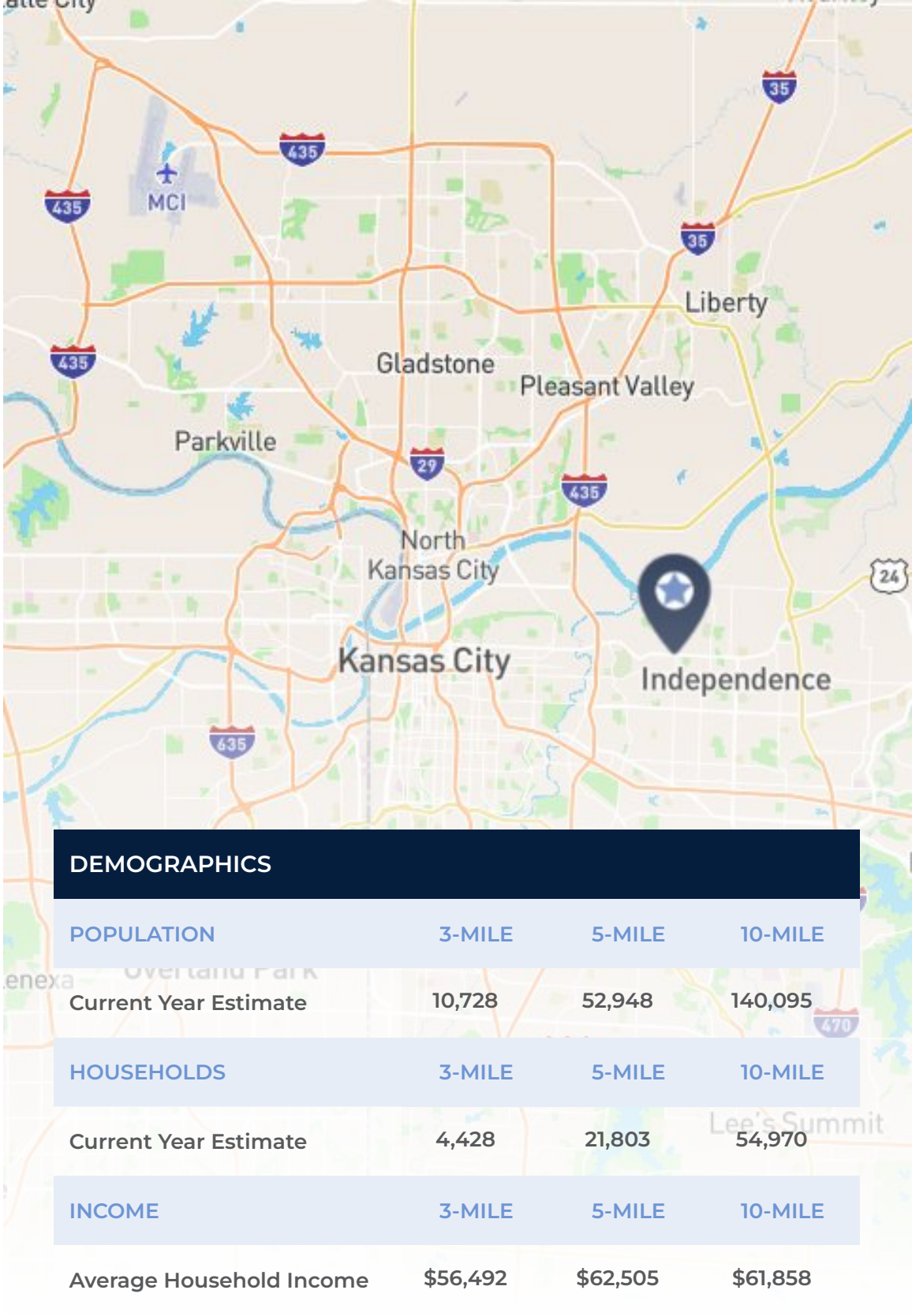
The surrounding trade area consists of a balanced mix of established residential neighborhoods, light industrial employment centers, and service-oriented commercial corridors. This blend of land use generates reliable daytime population and foot traffic, ideal for QSR operators catering to both value-driven consumers and time-sensitive workers. With affordable real estate fundamentals, limited direct competition, and alignment with broader regional growth and infrastructure improvements, Sugar Creek presents a compelling long-term investment profile for single-tenant net lease assets. Additionally, its proximity to downtown Kansas City—approximately 15 minutes west—adds a layer of metropolitan connectivity that supports both customer volume and tenant stability.



2.84+ Million
NUMBER OF ANNUAL VISITORS



\$2.06 Billion
ANNUAL REVENUE



KANSAS CITY, MO

Kansas City lies on the border of Kansas and Missouri. This central location makes it very competitive for employment involving transportation, communication, and distribution. Kansas City Metropolitan area covers 7,952 square miles and is home to approximately 2.34 million residents, making it the second largest metro area in the state after Greater St. Louis.

The attractive downtown boasts museums and architectural attractions, including modern buildings and restorations of older sites, such as the 1914 Union Station. The downtown population quadrupled in the last decade and is expected to grow by 50 percent in the next five years. New downtown housing units, expansive entertainment options, restaurants, shopping, and redevelopments are spurring residential and business attractions. Since 2010, there have been over \$4 billion in investments in the revitalization of downtown Kansas City.



KANSAS CITY ECONOMY

Kansas City has a steady local economy that historically weathers economic fluctuations because of its diverse industry segments and sectors with strategic advantages: advanced manufacturing, the arts, design and engineering, health sciences and services, nonprofit management, and information technology. Alas,

Kansas City's top industries are manufacturing, professional and technical services, healthcare and transportation.

Headquarters, technology-based companies, entrepreneurs, freight-based companies, and shared-service centers select the city for its central location, educated workforce, and access to a strong support network of public and private programs, civic-minded entrepreneurs, and competitive incentives.

Fast-growing entrepreneurial businesses and established organizations attract and retain skilled talent because Kansas City delivers today's in-demand lifestyles – affordability, diverse housing options, and a vast array of cultural attractions to accompany desirable career paths offering choice, challenge, and competitive compensation. Over the last year, Kansas City has seen a 1.4% increase in the job market. Over the next decade, Kansas City will see a 32.5% job growth.

KANSAS CITY TOP ATTRACTIONS



COUNTRY CLUB PLAZA



KANSAS SPEEDWAY & HOLLYWOOD CASINO



TRUMAN SPORTS COMPLEX



KC LIVE!



ARROWHEAD STADIUM



KAUFMAN STADIUM

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **11120 E. US Highway 24, Sugar Creek, MO, 64054** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Service™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™., the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

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 Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



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