

Actual Site



**DUNKIN' DONUTS | ABSOLUTE NNN | TAMPA MSA**  
36643 State Road 54, Zephyrhills, Florida 33541

PRESENTED BY

**Douglas T. Kinson**  
Director – Net Leased Properties Group  
Dir: (407) 557-3842  
Cell: (407) 625-9539  
[douglas.kinson@marcusmillichap.com](mailto:douglas.kinson@marcusmillichap.com)

**Joseph F. Russo**  
Director – Net Leased Properties Group  
Dir: (407) 557-3843  
Cell: (407) 453-0252  
[joseph.russo@marcusmillichap.com](mailto:joseph.russo@marcusmillichap.com)

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the Dunkin' Donuts, a triple net (NNN) single-tenant investment offering, located at 36643 State Road 54 in Zephyrhills, Florida. The subject property consists of approximately 2,050 square feet on a 0.78 acre lot. A Dunkin' Donuts franchisee leases the property under a 20-year absolute triple-net (NNN) lease which commenced May 1, 2017. In addition, the lease has eight percent increases in each five-year period with four, five-year options.

The tenant is Zephyrhills Donuts, LLC who currently operates a total of sixteen stores, with an expectation to open two stores in 2017 and an additional four stores in 2018. In addition, the tenant has store development rights for up to 35 stores by the year 2020.

The property is centrally located on State Road 54 which has a traffic count of 20,000 AADT (2016). It is positioned amid established neighborhoods and golf-course communities with over 5,000 residents within one mile of the site. The subject property is surrounded by national brand retailers and local shopping centers.

The property is in Pasco County which is included in the Tampa-St. Petersburg-Clearwater Tampa Bay area. The population of the Tampa Bay MSA is estimated at 3,030,953 people as of January 2017 and between 2010 and 2015 the population is estimated to have grown 8.94 percent.

## INVESTMENT HIGHLIGHTS

- Absolute Net Lease | No Landlord Responsibilities
- Brand New 20-Year Lease Four, Five-Year Options
- Eight Percent Increases Every Five Years
- Centrally Located Near Established Neighborhoods
- Excellent Access and Visibility
- Florida is a NO INCOME TAX State





### ABOUT DUNKIN' BRANDS

Dunkin' Donuts is the world's leading baked goods and coffee chain, serving more than 3 million customers per day. Dunkin' Donuts sells 52 varieties of donuts and more than a dozen coffee beverages as well as an array of bagels, breakfast sandwiches, and other baked goods.

The company went public in mid-2011. Dunkin' Brands raised \$422.8 million in the public offering. After using the bulk of its IPO proceeds to repay debt, the company used the leftover cash to begin a rapid expansion of the Dunkin' Donuts chain.

Today, there are more than 11,300 Dunkin' Donuts restaurants worldwide – more than 8,000 Dunkin' Donuts restaurants in 41 states in the U.S. plus the District of Columbia, and more than 3,200 international restaurants in 36 countries.

Dunkin' Donuts is a subsidiary of Dunkin' Brands Group, Inc. (Nasdaq:DNKN) which represents both Dunkin' Donuts and Baskin-Robbins brands.

With more than 19,000 points of distribution in nearly 60 countries worldwide, Dunkin' Brands Group, Inc. is one of the world's leading franchisors of quick service restaurants (QSR) serving hot and cold coffee and baked goods, as well as hard-serve ice cream. In 2016, Dunkin' Brands' nearly 100 percent franchised business model included more than 12,000 Dunkin' Donuts restaurants and more than 7,700 Baskin-Robbins restaurants.



### ABOUT ZEPHYRHILLS DONUTS, LLC

The Tenant is Zephyrhills Donuts, LLC. The tenant currently operates a total of sixteen stores, with an expectation to open two stores in 2017 and an additional four stores in 2018. The tenant intends to be operating up to 35 stores by 2020.

The Dunkin' Brands Franchisee & Enterprise Awards named the tenant as the winner of the 2016 Dunkin' Donuts/Baskin-Robbins Combo Operator of the Year for the Southeast United States.



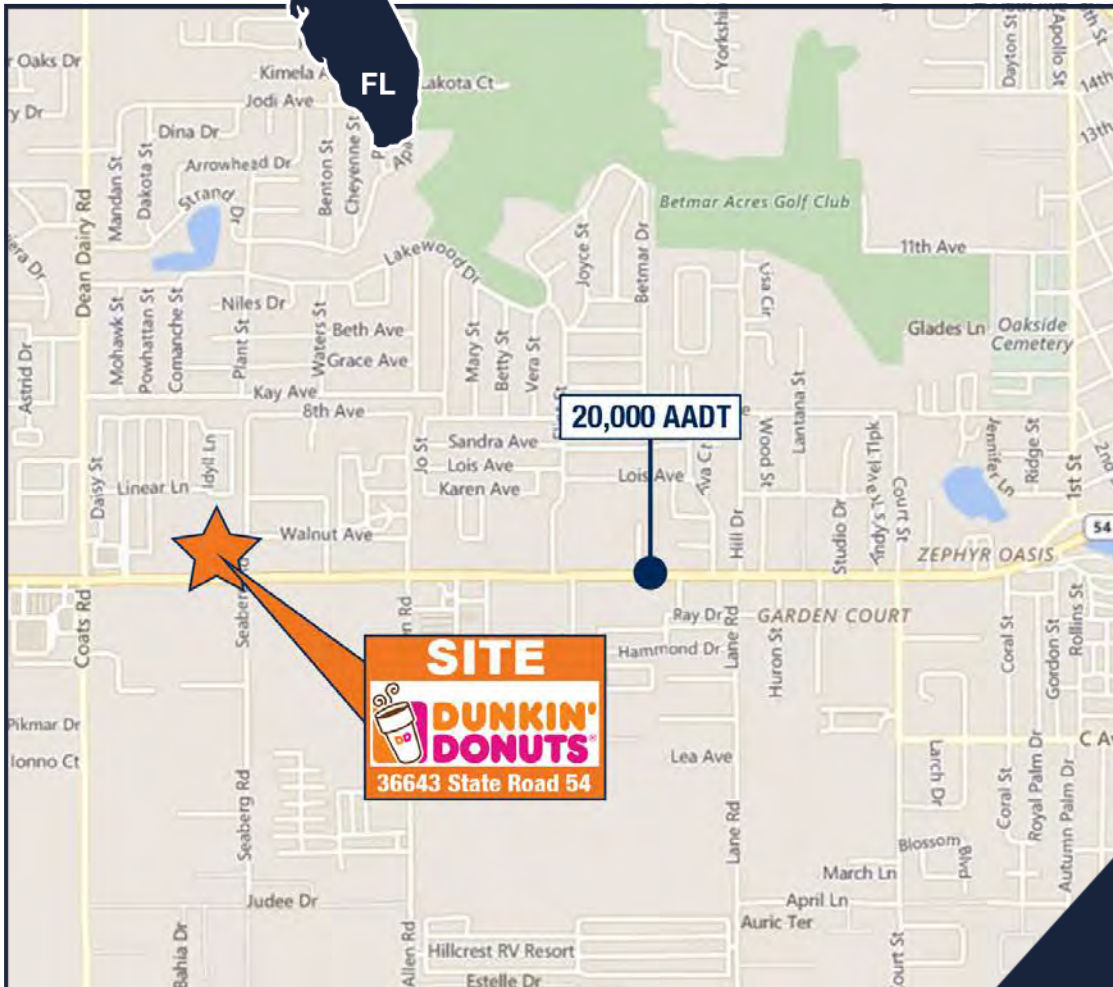








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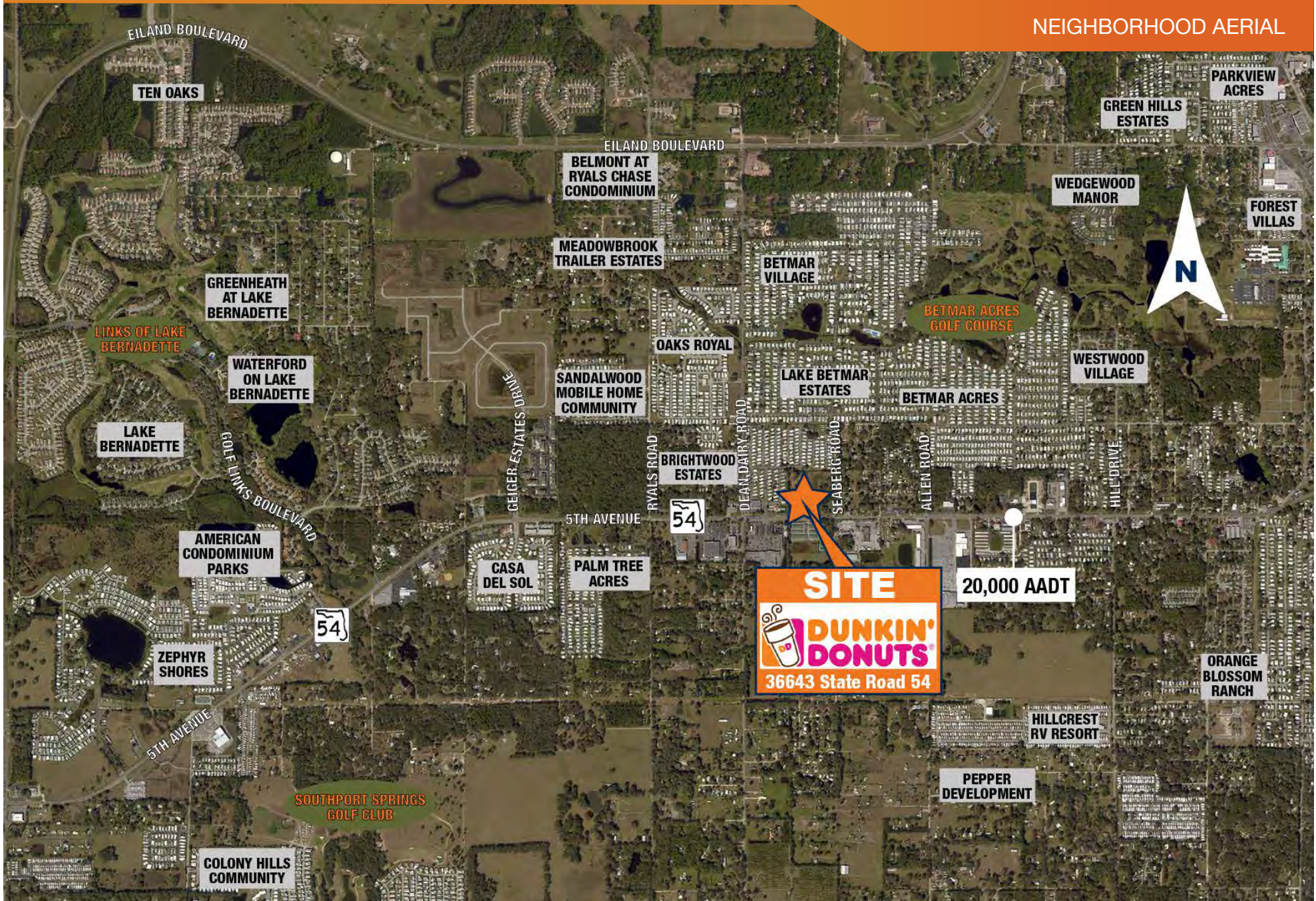


2016 TRAFFIC COUNT

### PROPERTY FEATURES

- Absolute Net Lease | No Landlord Responsibilities
- Brand New 20-Year Lease Four, Five-Year Options
- Eight Percent Increases Every Five Years
- Centrally Located Near Established Neighborhoods
- Included in the Tampa MSA
- Excellent Access and Visibility
- Florida is a NO INCOME TAX State





**PROPERTY SUMMARY**

THE OFFERING	
Property	Dunkin Donuts   Absolute NNN
Property Address	36643 State Road 54 Zephyrhills, Florida 33541
Price	\$1,963,804
Capitalization Rate	5.60%
Price/SF	\$957.95

PROPERTY DESCRIPTION	
Year Built / Renovated	2017
Gross Leasable Area	2,050 SF
Zoning	Commercial
Type of Ownership	Fee Simple

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Franchisee
Rent Increases	Eight Percent Each Five-Year Period
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	5/1/2017
Lease Expiration	4/30/2037
Lease Term	20
Term Remaining on Lease (Years)	19.7
Renewal Options	Four, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Absolute NNN
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION	
<b>INCOME</b>	
Net Operating Income	\$109,973

RENT SCHEDULE			
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$109,973	\$9,164	\$53.65
Year 1	\$109,973	\$9,164	\$53.65
Year 2	\$109,973	\$9,164	\$53.65
Year 3	\$109,973	\$9,164	\$53.65
Year 4	\$109,973	\$9,164	\$53.65
Year 5	\$109,973	\$9,164	\$53.65
Year 6	\$118,771	\$9,898	\$57.94
Year 7	\$118,771	\$9,898	\$57.94
Year 8	\$118,771	\$9,898	\$57.94
Year 9	\$118,771	\$9,898	\$57.94
Year 10	\$118,771	\$9,898	\$57.94
Years 11 - 15	\$128,273	\$10,689	\$62.57
Years 16 - 20	\$138,534	\$11,545	\$67.58
Option 1 Years 21 - 25	\$149,617	\$12,468	\$72.98
Option 2 Years 26 - 30	\$161,586	\$13,466	\$78.82
Option 3 Years 31 - 35	\$174,513	\$14,543	\$85.13
Option 4 Years 36-40	\$188,474	\$15,706	\$91.94



## ABOUT ZEPHYRHILLS, FLORIDA

Zephyrhills is a friendly community which respects and embraces its past and heritage, values the diversity of its residents and encourages economic growth and development while retaining its small town, neighborly charm. The town was named after its gentle breezes (zephyrs) and rolling hills.

Zephyrhills is a city in Pasco County, Florida, and just one hour northeast of Tampa, Florida. It is a suburb of the Tampa Bay Metropolitan Statistical Area. Zephyrhills is also known as the headquarters of the Zephyrhills bottle water company and is a member of Tree City USA. With its lush countryside, it is also known as a major skydiving destination.

Pasco County is included in the Tampa-St. Petersburg-Clearwater Tampa Bay area. The population of the Tampa Bay MSA is estimated at 3,030,953 people as of January 2017 and between 2010 and 2015 the population is estimated to have grown 8.94 percent.



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MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

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in 2015**



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within the firm's  
brokerage offices**



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in the industry**

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**Enhanced control through  
MMCC's ability to qualify  
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**Enhanced control through  
quickly identifying potential  
debt/equity sources,  
processing, and closing  
buyer's finance alternatives**

**Enhanced control through  
MMCC's ability to monitor  
investor/due diligence and  
underwriting to ensure timely,  
predictable closings**



### **Douglas T. Kinson**

D: (407) 557-3842

C: (407) 625-9539

[Douglas.Kinson@marcusmillichap.com](mailto:Douglas.Kinson@marcusmillichap.com)

License: FL SL611884



### **Joseph F. Russo**

D: (407) 557-3843

C: (407) 453-0252

[Joseph.Russo@marcusmillichap.com](mailto:Joseph.Russo@marcusmillichap.com)

License: FL SL677351

## **Overview**

The Kinson | Russo, Net Lease Group, was formed by Doug Kinson, Joe Russo and staff and is committed to utilizing their combined 45 years of investment sales and development experience for the creation and preservation of wealth for their clients.

### **Douglas T. Kinson, Director**

Doug Kinson is an experienced real estate executive with over 20 years of experience in brokerage, development, sales and leasing. Throughout his career, Doug has worked with owners and investors looking to maximize their returns through the application of proven real estate strategies. He has recently closed a variety of net lease transactions on behalf of both buyers and sellers that include Walgreens, Taco Bell, Burger King, Captain D's, Wells Fargo, and Starbucks.

Doug's focus at Marcus & Millichap is exclusively on assisting owners, investors and developers with net lease investments throughout the State of Florida and across the U.S. Prior to joining Marcus & Millichap, Doug served as Director of Net Lease Investments at Calkain Companies and Atlantic Retail Properties, where he successfully negotiated net lease transactions on behalf of his national clients. Doug is a graduate of the University of Wisconsin with both a Master's in Business Administration and Bachelor of Science degrees.

### **Joseph F. Russo, Director**

Joe Russo is a Florida real estate professional with over 25 years of experience as a broker, developer, retailer and investor in commercial retail projects and NNN single tenant properties. Joe has closed deals involving more than 3 million square feet of retail projects, including life style/town centers, neighborhood community centers and NNN single tenant projects, having an aggregate value of \$275 million.

Joe prides himself on his collaborative approach and team building with other agents within and outside of the Marcus & Millichap platform in order to accomplish his clients' goals to create and preserve wealth. With degrees from the University of Texas (B.B.A., with honors) and the University of Houston College of Law (J.D.) and with his diverse investment sales and development background, Joe brings to Marcus & Millichap a wide range of vision, capabilities and expertise to service clients.

THE KINSON | RUSSO TEAM



**DOUGLAS T. KINSON**  
DIRECTOR, NET LEASED PROPERTIES GROUP



**JOSEPH F. RUSSO**  
DIRECTOR, NET LEASED PROPERTIES GROUP



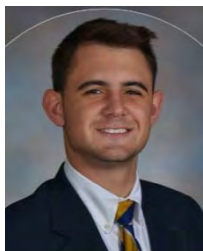
**Shawn Dickmann**  
ASSOCIATE



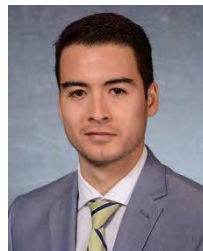
**Renee Ellis**  
MARKETING DIRECTOR  
LICENSED ASSISTANT



**Charles Knighton II**  
MARCUS & MILLICHAP CAPITAL CORPORATION  
DIRECTOR, DEBT & STRUCTURED FINANCING



**Dillon Wilson**  
AGENT ASSISTANT



**Maurizio Piedra**  
AGENT ASSISTANT



**Ocea Huggins**  
OFFICE MANAGER



**Natasha Young**  
BROKERAGE ASSISTANT

MARCUS & MILLICHAP MARKETING TEAM

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