



# KFC Sale-Leaseback

*Cahokia, Illinois*



# OFFERING MEMORANDUM

Marcus & Millichap

1691 Camp Jackson Road  
Cahokia, Illinois 62206

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# Investment Highlights

PRICE: \$1,411,764 | CAP: 5.95% | RENT: \$84,000



## About the Investment

- ✓ Brand New 20-Year Triple-Net (NNN) Sale-Leaseback
- ✓ 1.25% Annual Rental Increases Starting in Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ 45-Unit Franchisee Guarantee from Morgan Foods Inc.

## About the Location

- ✓ Major National Tenants in the Surrounding Area Include: Walmart, Aldi, Walgreens, Schnucks, Dollar Tree, BP, Dollar General, Hardee's, Aarons, Taco Bell
- ✓ Positioned Eight Miles Southwest of Downtown St. Louis
- ✓ Strategically Situated Off of U.S. Interstate 255 – Average Daily Traffic Counts of Almost 30,000 Vehicles
- ✓ St. Louis Downtown Airport – Right Next to Subject Property – Over 170,000 Aircraft Operations Annually

## About the Tenant/Brand

- ✓ Ampex Brands owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.
- ✓ KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates



# INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for a KFC property located at 1691 Camp Jackson Road in Cahokia, Illinois. Built in 2009, this property consists of approximately 2,474 square feet of building space and sits on 0.46 acres of land. Ampex Brands operates this KFC location, as well as over 500 other restaurant units. The lease is guaranteed by Morgan Foods, a subsidiary of Ampex Brands, with 45 units. The current rent is \$84,000 and is subject to 1.25% annual rental increases starting in year six. Additionally, there are four, five-year tenant renewal options.

KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates.







# Financial Analysis

PRICE: \$1,411,764 | CAP: 5.95% | RENT: \$84,000



## Property Description

Property	KFC
Property Address	1691 Camp Jackson Road
City, State, ZIP	Cahokia, Illinois 62206
Year Built / Renovated	2009
Building Size	2,474
Lot Size	+/- 0.46 Acres
Type of Ownership	Fee Simple

## The Offering

Annual Rent	\$84,000
CAP Rate	5.95%
Purchase Price	\$1,411,764
Price / SF	\$570
Rent / SF	\$33.95

## Lease Summary

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee (45 Units)
Ownership Type	Private
Original Lease Term	20.0 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20.0
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.25% Starting in Year 6
Next Rent Increase	2024
Options to Renew	Four (4), Five (5)-Year Options

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Years 1 – 5	\$84,000	\$7,000	-
Year 6	\$85,050	\$7,088	1.25%
Year 7	\$86,113	\$7,176	1.25%
Year 8	\$87,190	\$7,266	1.25%
Year 9	\$88,279	\$7,357	1.25%
Year 10	\$89,383	\$7,449	1.25%
Year 11	\$90,500	\$7,542	1.25%
Year 12	\$91,631	\$7,636	1.25%
Year 13	\$92,777	\$7,731	1.25%
Year 14	\$93,937	\$7,828	1.25%
Year 15	\$95,111	\$7,926	1.25%
Year 16	\$96,300	\$8,025	1.25%
Year 17	\$97,503	\$8,125	1.25%
Year 18	\$98,722	\$8,227	1.25%
Year 19	\$99,956	\$8,330	1.25%
Year 20	\$101,206	\$8,434	1.25%





# Tenant Overview



## About KFC

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are over 20,500 KFC outlets in more than 125 countries and territories around the world. There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices.

It is estimated that, on average, more than 185 million people see a KFC commercial at least once a week—that's more than half the U.S. population. The KFC system serves more than 12 million customers each day in more than 115 countries and territories around the world. KFC operates more than 17,000 restaurants in the United States and internationally. KFC's parent company is Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 40,000 locations in more than 130 countries and territories and employing more than one million associates. Yum! is ranked number 201 on the Fortune 500 list, with revenues exceeding \$13 billion in 2012.

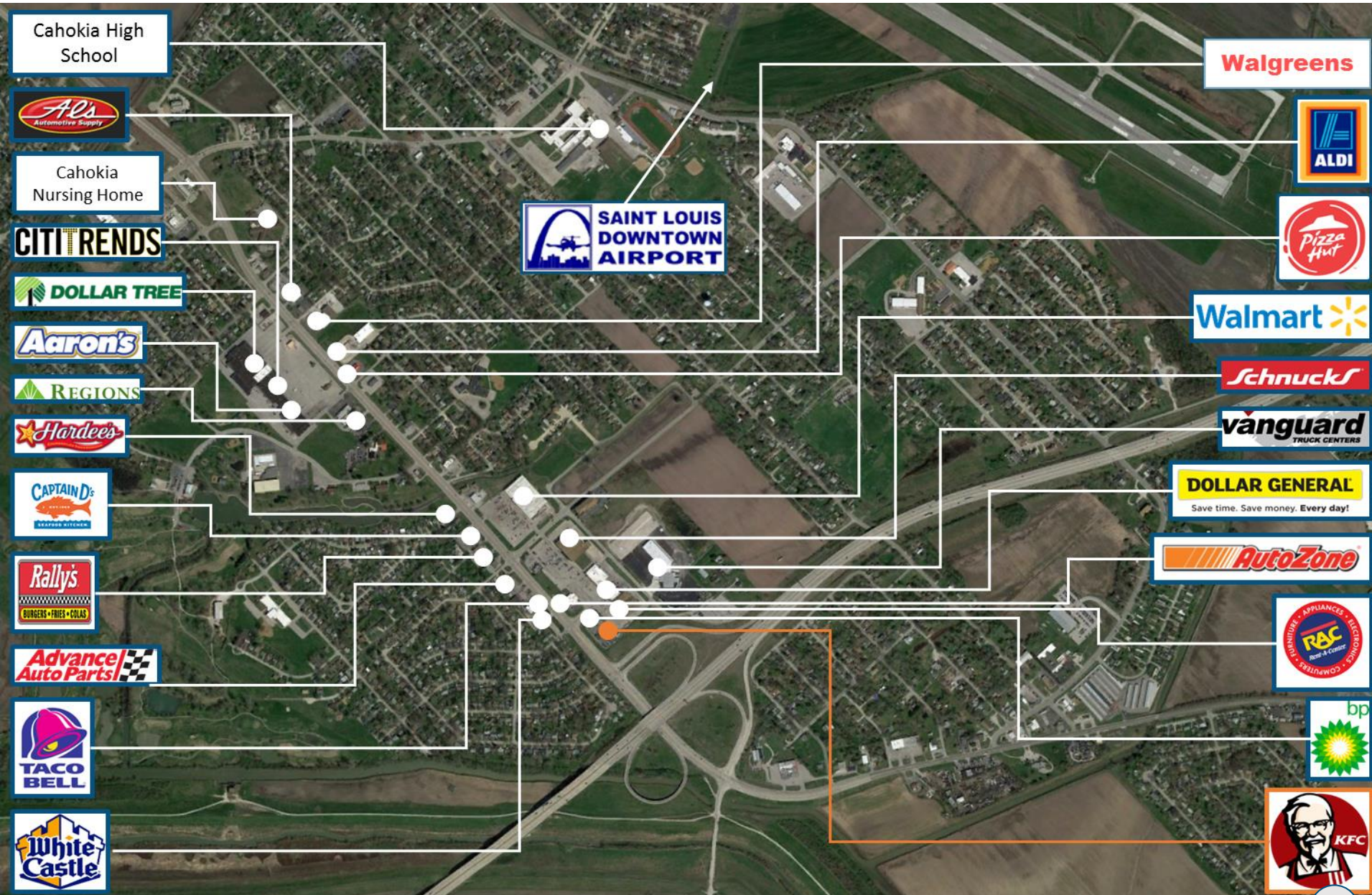
## About Ampex Brands

Ampex Brands was formed in 2005 to acquire 18 Long John Silver's restaurants, and has since grown tremendously, landing as the 21st largest franchisee in the US according to The 2015 Mega 99 Rankings. Currently, Ampex owns and operates around 500 units of KFC, Taco Bell, Tim Hortons, Long John Silver's and A&W in Arkansas, Louisiana, Texas, Oklahoma, Ohio, Pennsylvania, West Virginia, Illinois, New York and Missouri, and employs over 6,000 team members.





# Surrounding Area







# Location Overview

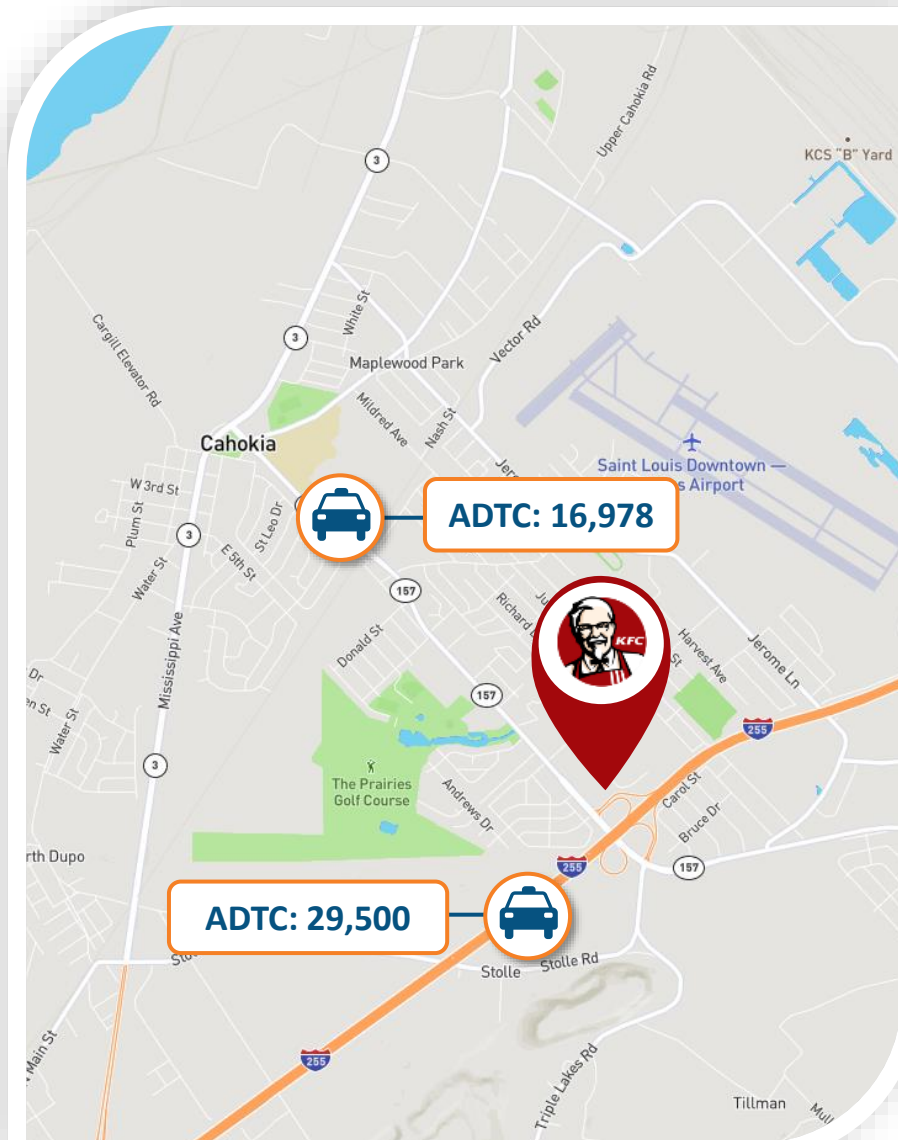


This KFC property is located at 1691 Camp Jackson Road in Cahokia, Illinois. Cahokia is a village in St. Clair County which is a part of the Greater St. Louis metropolitan area. Cahokia sits just eight miles from downtown St. Louis.

The subject property is strategically positioned in a dense retail and residential corridor benefiting from its proximity to major national and local tenants. Major national tenants located in the surrounding area include: Walmart, Aldi, Walgreens, Citi Trends, Aarons, AutoZone, Advanced Auto Parts, Dollar General, BP Gas, Hardee's, Taco Bell, Rent-A-Center among others. Arizona State University is located less than four miles from the subject property. Cahokia High School is located less than two miles from the subject property and has a total enrollment of approximately 1,000 students. Also, the St. Louis Downtown Airport is located three miles from the subject property, this is the St. Louis region's second busiest general aviation airport and Illinois' most active outside of Chicago.

There are approximately 20,671 individuals residing within a three-mile radius of the property and more than 87,005 individuals within a five-mile radius. The subject property is located on Camp Jackson Road, which has average daily traffic counts in excess of 16,978 vehicles. Interstate-255 is also located less than one mile away of the subject property. This section of U.S. Interstate 255 has average daily traffic counts of more than 29,500 vehicles.

St. Louis is the cultural and economic center of the Greater St. Louis area which is home to over two million people. St. Louis is the second largest city in Missouri after Kansas City. The economy of St. Louis relies on service, manufacturing, trade, transportation of goods, and tourism. It is also home to many major corporations such as Anheuser-Busch, Boeing Defense, Energizer, Purina, and many more. The city operates more than 100 parks with amenities that include sports facilities, playgrounds, concert areas, picnic areas, and lakes. Health care and biotechnology institutions with operations in St. Louis include Pfizer, the Solae Company, Sigma-Aldrich, and Multidata Systems International. Boeing employs nearly 15,000 people in its north St. Louis campus, which is headquarters to its defense unit. Forest Park, which sits on the western edge of the city, is the largest and is almost twice as large as Central Park in New York City.





# Property Photo







# Property Photo







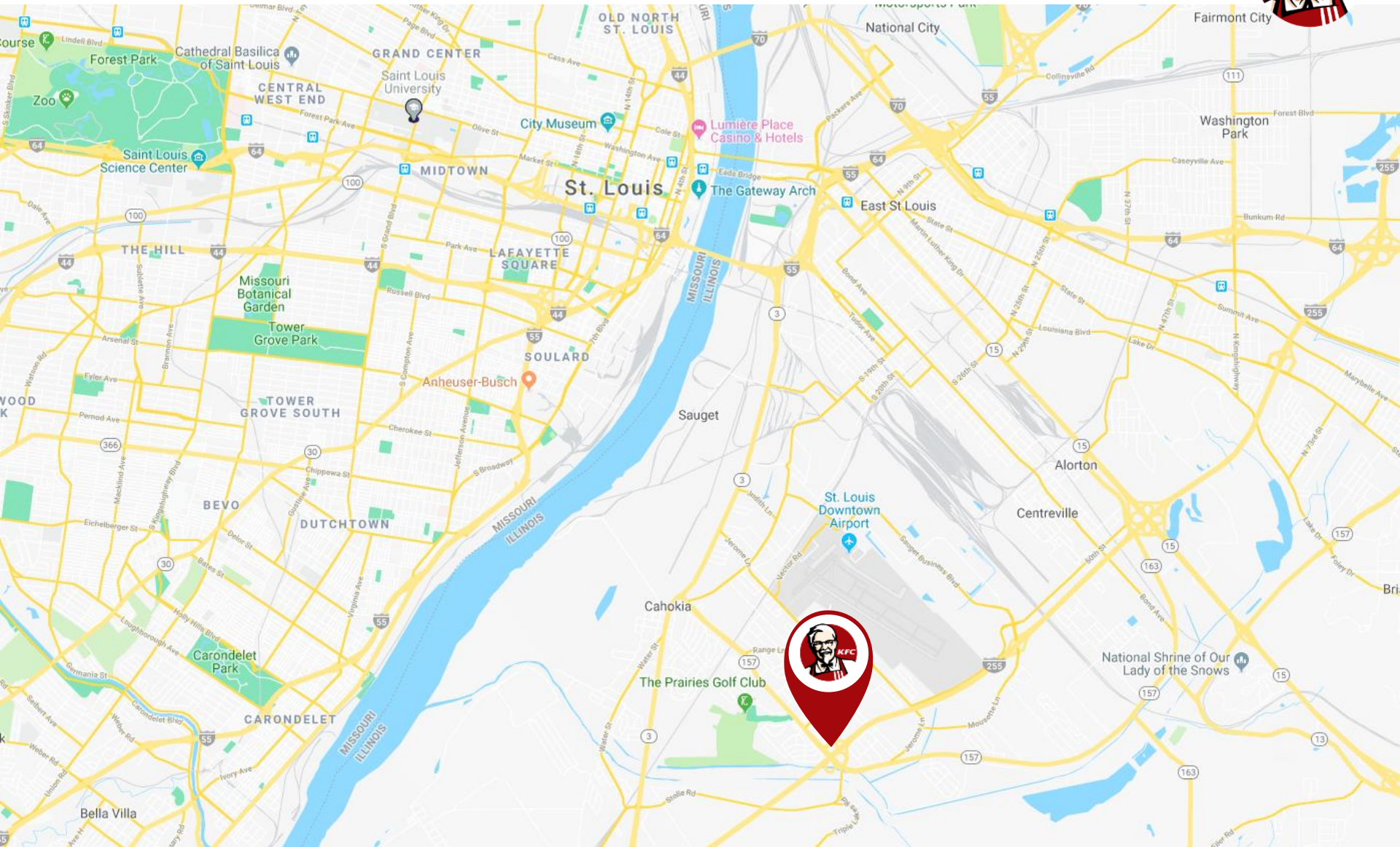
# Surrounding Area Photos







# Local Map





# Regional Map







# Demographics



## Population:

	1 Mile	3 Miles	5 Miles
2023 Projection	5,256	19,613	79,423
2018 Estimate	5,354	20,049	81,512
2010 Census	5,638	21,470	88,011
Growth 2018-2023	(1.83%)	(2.17%)	(2.56%)
Growth 2010-2018	(5.04%)	(6.62%)	(7.38%)
2018 Population Hispanic Origin	146	450	3,645

## 2018 Population by Race:

	1 Mile	3 Miles	5 Miles
White	1,954	8,240	33,615
Black	3,257	11,286	44,524
Am. Indian & Alaskan	18	69	260
Asian	21	52	1,019
Hawaiian & Pacific Island	0	2	33
Other	104	401	2,060

## U.S. Armed Forces:

### Households:

	1 Mile	3 Miles	5 Miles
2023 Projection	1,657	6,794	31,264
2018 Estimate	1,692	6,959	32,145
2010 Census	1,804	7,517	34,938
Growth 2018 - 2023	(2.07%)	(2.37%)	(2.74%)
Growth 2010 - 2018	(6.21%)	(7.42%)	(7.99%)
Owner Occupied	1,094	4,112	14,964
Renter Occupied	598	2,847	17,182

## 2018 Avg Household Income

## 2018 Med Household Income

## 2018 Households by Household Inc:

	1 Mile	3 Miles	5 Miles
<\$25,000	627	2,901	12,993
\$25,000 - \$50,000	487	2,145	8,908
\$50,000 - \$75,000	311	851	4,248
\$75,000 - \$100,000	129	557	2,455
\$100,000 - \$125,000	97	309	1,547
\$125,000 - \$150,000	9	118	740
\$150,000 - \$200,000	10	42	631
\$200,000+	20	35	626

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# EXCLUSIVE NET LEASE OFFERING

