



ACTUAL SITE PHOTO

# **The Kase Group**

KFC | ABSOLUTE NNN LEASED OFFERING

104 NE E WALLACE BLVD FERRIDAY, LA 71334

OFFERING MEMORANDUM Presented By:

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# INVESTMENT OVERVIEW

The subject offering is a NNN leased offering for a KFC in Ferriday, Louisiana. There are over twelve years remaining on the lease with two, five-year options to renew. There are scheduled increases of 7% every five years in the initial term and at each of the two, five-year options. The asset is well situated on a hard corner and benefits from excellent access and visibility. This location is slated for an image update, construction to begin soon.



## INVESTMENT HIGHLIGHTS

ABSOLUTE NNN LEASED OFFERING

100% FEE SIMPLE INTEREST

ZERO LANDLORD OBLIGATIONS

SCHEDULED INCREASES IN RENT

EASY ACCESS AND EXCELLENT VISIBILITY

EXCELLENT RENT TO SALES RATIO OF 5.67%

LOCATION SLATED FOR IMAGE UPDATE

## OFFERING SPECIFICATIONS

PRICE \$884,052

CAP RATE 6.25%

NET OPERATING INCOME \$55,253

SQUARE-FOOTAGE 3,414

RENT TO SALES 6.07%

# FINANCIAL SUMMARY

KFC | ABSOLUTE NNN LEASED OFFERING

104 NE E WALLACE BLVD FERRIDAY, LA 71334

\$884,052

6.25% CAP

FEE SIMPLE OWNERSHIP

## SUMMARY

TENANT NAME	KFC
SQUARE FOOTAGE	3,414
LEASE BEGINS	JANUARY 1, 2016
LEASE ENDS	DECEMBER 31, 2030
*ANNUAL RENT	\$55,253.28
OPTIONS	TWO, 5 YEAR
INCREASES	7% EVERY 5 YEARS

\*CURRENT RENT IS \$51,638.58 ANNUALLY. THE NEXT RENTAL INCREASE OCCURS IN JANUARY OF 2020. SELLER TO CREDIT THE DIFFERENCE BETWEEN CURRENT RENT AND RENTAL INCREASE AT CLOSE OF ESCROW.

## OPERATING SUMMARY

	NET OPERATING INCOME	CAP RATE
YEARS 1-5	\$51,638.58	5.84%
<b>YEARS 6-10</b>	<b>\$55,253.28</b>	<b>6.25%</b>
YEARS 11-15	\$59,121.01	6.69%
OPTION 1	\$63,259.48	7.16%
OPTION 2	\$67,687.64	7.66%

# LEASE ABSTRACT

## BASIC TERMS

TENANT	FRANCHISE MANAGEMENT INVESTORS
BUILDING SIZE	3,414 SF
ADDRESS	104 NE E WALLACE BLVD FERRIDAY, LA 71334
LEASE DATED	NOVEMBER 2015
LEASE START	JANUARY 1, 2016
LEASE END	DECEMBER 31, 2030
RENEWAL OPTIONS	TWO, 5 YEAR OPTIONS
INCREASES	7% EVERY 5 YEARS

## OBLIGATIONS

LANDLORD OBLIGATIONS	NO LANDLORD OBLIGATIONS
TENANT OBLIGATIONS	EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, LESSEE SHALL, AT ITS SOLE COST AND EXPENSE, MAINTAIN THE PREMISES, INCLUDING, BUT NOT LIMITED TO, THE RESTAURANT AND ANY OTHER IMPROVEMENTS NOW OR HEREAFTER EXISTING THEREIN OR THEREON, IN GOOD CONDITION AND AT ALL TIMES TO THE CONDITIONS REQUIRED AND/OR PRESCRIBED BY LESSOR. LESSEE'S OBLIGATION TO MAINTAIN AND REPAIR INCLUDES SPECIFICALLY, BUT IS NOT TO BE LIMITED TO, THE MAINTENANCE AND REPAIR AND/OR REPLACEMENT OF THE FOLLOWING: FIXTURES, FACILITIES OR EQUIPMENT CONTAINED INSIDE THE PREMISES, THE HEATING, AIR-CONDITIONING, ELECTRICAL AND PLUMBING SYSTEMS INSIDE THE PREMISES; EXTERIOR AND INTERIOR DOORS; WINDOWS AND GLASS; PARKING AREA, LANDSCAPED AREAS AND ANY SIGNS OR OTHER EQUIPMENT INSTALLED AND USED BY LESSEE.

## RENT SCHEDULE

PERIOD (YEARS)	MONTHLY RENT	ANNUAL RENT	RENT/SF
YEARS 1-5	\$4,302.22	\$51,638.58	\$15.12
YEARS 6-10	\$4,604.44	\$55,253.28	\$16.18
YEARS 11-15	\$4,926.75	\$59,121.01	\$17.31
OPTION 1	\$5,271.62	\$63,259.48	\$18.53
OPTION 2	\$5,640.63	\$67,687.64	\$19.82



# TENANT OVERVIEW



## KFC - FRANCHISE MANAGEMENT INVESTORS

Franchise Management Inc. is the largest Pizza Hut franchise operator in Canada. We currently own and operate more than 250 Pizza Hut, KFC, Taco Bell, Panera Bread, Robin's Donuts and Convenience Store businesses across 11 different provinces and states. With presence in Ontario, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Mississippi, Louisiana, Arkansas and Missouri, FMI is proud to employ over 5000 people. All operations are administered from our Support Center in Woodstock, New Brunswick.

In the early 90s, the company (later named FMI) was formed as a management company to administer a small number of local businesses. Over time, that focus has evolved to growing and supporting a portfolio of successful businesses, relevant within their respective trade areas across North America.



PRIVATELY  
HELD



250 QSR  
LOCATIONS



5,000 FMI  
EMPLOYEES



# LOCATION AERIAL





# DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	3,254	6,850	8,364
TOTAL NUMBER OF HOUSEHOLDS	1,257	2,578	3,145
AVERAGE HOUSEHOLD INCOME	\$32,971	\$31,855	\$34,836
MEDIAM AGE	36.90	37.60	38.20



# AREA OVERVIEW

## FERRIDAY, LOUISIANA

Ferriday is a town in Concordia Parish in northeastern Louisiana, United States. The population, which is three-fourths African American, was 3,511 at the 2010 census.

Ferriday played a role in the promotion of blues music through the Haney's Big House lounge in the African-American community. Almost every Delta Blues musician played at Haney's. The Delta Music Museum in the downtown historic district is open daily to visitors, many of whom come from out of state. It is located next to the restored Arcade Theater. The museum contains exhibits on Ferriday natives, some of whom were blues, rock, pop, and country musicians.

The town claims to have produced more famous people per square mile than any other in America. This statement intrigued author Elaine Dundy, who explored both celebrities and townsfolk in her book, Ferriday, Louisiana, published by E. P. Dutton in 1991.

Ferriday is represented by churches of several major denominations, including a large Pentecostal congregation south of town on Louisiana Highway 15, as well as Baptist, Assembly of God, Presbyterian, Methodist, and Catholic.



### DEMOGRAPHICS

#### 1 MILE

#### 3 MILES

#### 5 MILES

##### TOTAL POPULATION

3,254

6,850

8,364

##### TOTAL NUMBER HOUSEHOLDS

1,257

2,578

3,145

##### TOTAL NO. PERSONS PER HOUSEHOLD

2.60

2.60

2.60

##### AVERAGE HOUSE VALUE

\$92,026

\$85,517

\$84,419

##### AVERAGE HOUSEHOLD INCOME

\$32,971

\$31,855

\$34,836

##### MEDIAN AGE

36.90

37.60

38.20

##### WHITE

638

2,349

3,404

##### BLACK

2,565

4,390

4,824

##### AM. INDIAN & ALASKAN

16

39

46

##### ASIAN

10

18

23

##### HAWAIIAN & PACIFIC ISLAND

0

0

0

##### OTHER

25

55

67



## FERRIDAY | LOUISIANA



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